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OVERSIGHT—JOB TRAINING PARTNERSHIP ACT

HEARING

BEFORE THE

SUBCOMMITTEE ON EMPLOYMENT
AND PRODUCTIVITY

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

OVERSIGHT ON PROBLEMS ENCOUNTERED IN THE IMPLEMENTATION
OF THE JOB TRAINING PARTNERSHIP ACT

JULY 12, 1984

JACKSON, MS.

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OVERSIGHT—JOB TRAINING PARTNERSHIP ACT

WEDNESDAY, JULY 12, 1984

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Jackson, MS.

The subcommittee met, pursuant to notice, in meeting room 3, Ramada Inn Coliseum, 400 Greymont Avenue, Jackson, MS, commencing at 12:50 p.m., Senator Dan Quayle (chairman of the subcommittee) presiding.

Present: Senators Quayle and Cochran.

OPENING STATEMENT OF SENATOR COCHRAN

Senator COCHRAN [presiding pro tempore]. On behalf of Senator Dan Quayle I am going to begin this hearing in his absence.

I am sure that many of you have flown through Atlanta. Dan Quayle is in Atlanta. He is getting the grand tour of the airport this morning, compliments of Delta and whatever his connecting flight in Atlanta was, but he has had a misconnection problem in Atlanta from a flight earlier this morning and he is not here right now and will not be here until about noon. He is coming on to Jackson at that time and will be here for the wrapping up of the hearings this morning and will be available for questions from witnesses or the news media.

I am disappointed, of course, as I know you are that he is not here at the beginning of the hearing but I am delighted that he, as chairman of the Subcommittee on Employment and Productivity, has agreed to convene the first of a series of hearings here in our State of Mississippi to look into the implementation of the Job Training Partnership Act.

Senator Quayle was the primary author of the legislation that created this new job training program for our Nation. As chairman of that subcommittee he has put together a coalition of support in the U.S. Senate and then worked with the House committee leadership and the administration to develop a consensus of support for modernizing and improving and strengthening the Nation's job training effort.

The act, of course, is new. It took effect in October 1983. I was happy to be among the first to sign on with him and Senator Kennedy in cosponsoring the legislation in the U.S. Senate.

I can recall back in 1981 when the hearings were being held by him and his subcommittee on the issues relating to job training and it was obvious that he was going to be the key Member of Congress in the development of this new legislation.

Since that time there have been numerous articles written about the new legislation. Across the country there is a phasing in of this new program and a phasing out of CETA, the program superseded by the Job Training Partnership Act.

The staff of the subcommittee will continue this series of hearings around the country for the purpose of getting input from local officials and those who are going to be working at the effort at the local level, trying to find out if there are any specific problems with the act that can be corrected through legislation or regulation and if the legislation and the new program will meet the long-term goals of the Job Training Parternship Act. Those goals are to be sure that we make available training for those who are being displaced from jobs because of new technologies or improving the skills of those who are underemployed, whether or not these goals are being met and whether or not they can be met by this act.

The main difference between this effort and previous national efforts of job training is that the private sector is very closely involved and has a specific role to play in the administration of the act.

One of the reasons for that is that there should be jobs for persons who have gone through training. It should not just be a training period to go through to keep somebody busy or to learn something new and then not be able to use it at the end of the training period.

That has been the experience that we have seen in time past and I am not saying that anybody is really at fault but it surely does create an awful lot of disenchantment, a lack of confidence in the system, a sense of frustration that this country is really not making available the reality that is being promised to those who are coming into the labor market, that is, an opportunity for a good-paying job, one in which you can take pride in what you are doing and will enable you to provide for yourself and your families.

And that is what this is all about; everybody come together, the local, State, and Federal level with a program that can be implemented in an effective way to provide jobs, job opportunities, job training all of which are so critically needed if we are to continue this recovery from the economic problems of the past.

I appreciate very much all of you being here, particularly those who will be parts of our panels of witnesses. We have five panels of witnesses this morning, beginning with a panel representing the Governor's office and State government agencies as our Overview Panel.

The second panel will be the panel on local planning and administration.

The third, a panel on rural community perspective.

The fourth will be a panel on linking education and training systems.

And the last panel will be a panel on beneficiaries, program participants and employers.

After we conclude our discussion with the third panel we will take a break and have an opportunity for questions and answers from representatives of the news media and generally let the court reporter catch her breath and give us a chance to have a break from the proceedings.

Beginning now let me introduce the members of the first panel. They are Beverly Hogan, executive director of Federal-State Programs representing the Governor of the State of Mississippi; Judy Rhodes, State liaison for the Job Training Partnership Act, Governor's Office; W.T. Hackett, Jr., executive director of economic development; Carolyne Park, WIN administrator, State department of public welfare; Cohen Robertson, executive director, Mississippi Employment Security Commission.

I want to welcome you and before we begin with this part of our hearing, I want to place in the record at this point the statement of Senator Quayle which has been prepared for his description of the hearing and purpose of the hearing.

[Opening statement of Senator Quayle follows:]

OPENING STATEMENT OF SENATOR QUAYLE

I am very happy to be here today to chair this oversight hearing on The Job Training Partnership Act (JTPA). This is the first in a series of oversight activities that Congress is conducting this fall. In addition to field hearings such as this, involving members, House and Senate staff are participating in discussion groups and making site visits to collect a wide range of views on how JTPA is operating.

The focal point for our discussions is whether the long term goals of JTPA can be achieved. The transition from CETA to JTPA has been a national undertaking, occurring in every State and locality involving all levels of government and bringing in new participants from the private sector.

Now, we would like to look at the broader, long-term goals of the Act and the Federal role. I would like to discuss issues relating to whether the requirements of JTPA adequately reflect its underlying philosophy and provide a workable system for movement toward achieving the goals of the Act.

I commend Senator Cochran for providing the Subcommittee on Employment and Productivity with the opportunity to come into Mississippi to hold this oversight hearing. Senator Cochran was an early cosponsor and supporter of JTPA. This oversight hearing will give us an opportunity to get an overall perspective by hearing from representatives of all the different views in the service delivery system within a single State. I also want to commend all the witnesses who have taken time out of their busy schedules to prepare for and participate in this oversight hearing. I look forward to hearing your comments.

Senator COCHRAN. We will have each person make a short presentation. We have written statements which will be made a part of the record in full and after each person has made his or presentation we will have an opportunity for some questions.

Mrs. Hogan, you may proceed.

STATEMENT OF BEVERLY HOGAN, EXECUTIVE DIRECTOR OF FEDERAL-STATE PROGRAMS, REPRESENTING THE GOVERNOR OF THE STATE OF MISSISSIPPI; JUDY RHODES, STATE LIAISON FOR THE JOB TRAINING PARTNERSHIP ACT, GOVERNOR'S OFFICE; W.T. HACKETT, JR., EXECUTIVE DIRECTOR, DEPARTMENT OF ECONOMIC DEVELOPMENT; CAROLYNE PARK, WIN ADMINISTATOR, STATE DEPARTMENT OF PUBLIC WELFARE; COHEN ROBERTSON, EXECUTIVE DIRECTOR, MISSISSIPPI EMPLOYMENT SECURITY COMMISSION

Mrs. HOGAN. Senator Cochran and other distinguished guests, I am Beverly Hogan, executive director of the Governor's office of Federal-State programs. Governor Allain has asked me to represent him at today's hearing and I bring his greetings to you.

On behalf of Governor Allain, I want to thank you for coming to Mississippi to hear our concerns. I appreciate having the opportunity to discuss the status of the Job Training Partnership Act in Mississippi and to present for your consideration the current issues as we see them.

Although Governor Allain's written testimony on JTPA has been provided to you for inclusion into the record of this hearing, I will briefly highlight his major concerns.

One. Governor Allain supports the State's authority to establish policy where no clear direction is given by the U.S. Department of Labor and recommends that DOL recognize State policies in any subsequent audits or reviews.

As Governor Allain points out, we will gladly accept that responsibility if, however, it is clearly understood by all parties that the States' policies will serve as the basis for the development of audit guidelines.

What we fear, however, is interpretations made at the Federal level, expressed as audit policy and applied retroactively to States' systems. We recognize that your subcommittee shares our concern. Senator Quayle, in his May 8, 1984 letter to the Department of Labor, most aptly described the situation of the States when he wrote:

> States and localities do not want to be caught in a position where they must repay funds as a result of not correctly second-guessing some future department policy on how the cost limitation should be applied.

Two. The matching requirements under various components of JTPA should be reconsidered. Mississippi is unable to provide a direct cash outlay match, and in-kind matching is extremely costly to document.

Three. JTPA should be streamlined into more of a block grant approach. This would call for only one title which would have the same emphasis intended by the current set-asides and separate titles.

Four. The Governor should be provided a review and comment period of 30 days on any title IV proposed contract.

As JTPA fosters and promotes coordination among agencies and programs, Mississippi has also recognized that need. The Governor's office of Federal-State programs serves as the umbrella agency over all Federal programs which come to the Governor, of which JTPA is one, and helps to insure that programs are fully coordinated, services are shared and duplication of effort is eliminated.

Our agency administers and coordinates health and human services block grants, community development block grants and community services block grants, among others.

The coordination criteria pursuant to section 121 of JTPA strengthens the Governor's ability to coordinate the many delivery systems within the employment and training network.

The amendments to the Wagner-Peyser Act reinforced the Governor's policy leadership and coordination role relative to the Employment Service.

However, other employment and training programs are coming into the State without the strong coordination requirements of JTPA. Amendments.to these programs are necessary to complete the coordinative process and insure a comprehensive employment and training system. JTPA should not bear the burden of coordination alone.

Allow me now to amplify Governor Allain's remarks on matching requirements.

The theory of matching Federal dollars with State dollars, as is required by some JTPA programs, on the surface seems sound. It would appear to create a partnership of Federal and State governments, each with an equal investment. However, in its applications—as do many theories—it begins to fray and unravel. The more wealthy States could simply match with cash and bypass the administratively burdensome and costly task of determining in-kind matches. This State, unfortunately, at this point in our history, does not have that option. JTPA was created to serve the economically disadvantaged and uses the status of income as its primary criterion for individual eligibility. The State of Mississippi, if personified, would be economically disadvantaged and certainly an eligible JTPA applicant. The concept of "most in need" is underscored by JTPA, and in line of States, Mississippi is most in need.

The people of Mississippi have realized their liabilities, but at the same time, have recognized their potential. We are currently engaged in massive programs to improve the education and productivity of our citizens, but it costs the State treasury dearly. The people of Mississippi have shown every willingness to make the necessary sacrifices. In view of this, the matching requirements for JTPA dollars must be met by in-kind contributions.

It is a valid assumption that a State has always in the past, and must in the future, commit and apply State resources to support federally-funded programs. The problem comes in the identification, accounting, and documentation of in-kind contributions. This system creates additional rafts of paperwork, consumes valuable personnel time which could be better spent in designing, managing, and conducting training programs and raises the specter of Federal audits which interpret in-kind differently than the State or take exception to the documentation format. We will continue to provide necessary match for each JTPA dollar required in the best way possible. However, if in the future an opportunity arises to rethink these provisions, your consideration of ways to lessen or eliminate matching requirements would be greatly appreciated.

Again, thank you for the opportunity to meet and share our thoughts with you.

Senator COCHRAN. Thank you very much, Mrs. Hogan.

Mrs. Rhodes.

Mrs. RHODES. Senator Quayle, Senator Cochran, other distinguished guests, I am Judy Rhodes, executive director of the Governor's office of job development and training. I also serve as the State liaison for JTPA in Mississippi. The Governor's office of job development and training is the State administrative agency for JTPA in Mississippi. A separate division within our agency also serves as administrative entity for the Mississippi service delivery area, a large rural SDA.

We view the JTPA as an attempt by Congress to decentralize employment and training planning and program operation, allowing local government and industry, who best know their needs, to meet those needs. We also recognize that Congress intended that programs be operated with minimal overhead costs. The act limits the costs of administration to 15 percent. We believe that the goal of local planning and operation can, to a large degree, be achieved under JTPA. We have always had the goal of operating programs with as minimal overhead as possible. However administrative costs will always be dependent upon the complexity of the management, accounting systems, and administrative procedures required by the act.

The enactment of JTPA was a major step in reducing Federal involvement in employment and training programs. However, due to the various provisions in the act the management of JTPA is unusually cumbersome. The State must establish and maintain separate accounting on 14 set-asides under title II-A alone. For example, 8 percent of II-A is to be set aside for State education and coordination grants. That is, perhaps, simple enough. However, the 8 percent is further broken down to 80 percent and 20 percent. The 80 percent is matched by the State and further broken down to 75 percent and 25 percent. You end up with a situation in which you are talking to people about 75 percent of the 80 percent of the 8 percent. This is the level at which accounting and administration is complicated to the point that these functions tend to take on more significance than the programs being offered.

Not only must the State maintain these 14 separate set-asides, accounting by cost categories must be established for the majority of these sections. Additionally, the SDA title II-A expenditures must further be tracked by youth and adult. Federal reporting requirements regarding title II-A are minimal. However, for audit purposes, all of these separate accounts must be pure.

Title III and II-B are two other separate accounts. While title II-B is relatively simple to track, title III accounting is complicated by the matching requirements. Due to these multiple accounting categories, much valuable staff time and effort must be devoted to insuring adequate records.

Additionally, we must develop, adjust, compute and monitor performance standards. During the transition year, Mississippi established performance standards based upon the national regression model and the seven standards developed by the Department of Labor and approved by the Office of Management and Budget. After research into and application of performance standards we believe that they will work and could possibly become the major driving force of JTPA. The performance standard system must be fine tuned and possibly expanded upon to take all possible factors into consideration. However, we firmly believe that a fully developed, researched, and tested performance standard system will yield the bottom line data which should make other overlays of restrictions and limitations unnecessary.

We encourage more effective and efficient use of resources by adopting the block grant concept similar to that under the social services block grant and the community development block grant. With clearly established program and target goals, congressional intent, as well as specific needs of each State can be met through the block grant approach. If this cannot be achieved in the near future, allow the States more flexibility in its administration and management of JTPA. For example, allow us to track youths and adults as a percentage of participants, rather than expenditures. Allow us to fold set-aside funds into SDA II–A grants, if we deem it appropriate, without separate accountability for those funds.

Changes, such as these, will allow us to place more emphasis on where it belongs, training programs for the disadvantaged.

I understand that you and several other congressional leaders have expressed concern regarding the levels of JTPA activity to the disadvantaged, older individuals, and dislocated workers. Preliminary information available for the 9-month transition period indicates that JTPA has been fully implemented in all areas of the State. SDA's have geared up to serve the required youth percentage mandated in the act and are now focusing on establishing or refining youth competencies.

Although the WIN Program is available in only six counties in the State, we are coordinating with the department of public welfare to provide assistance to the SDA's in increasing service levels to WIN recipients. Programs for dislocated workers were implemented in late spring of 1983 and are in full operation.

Since the fiscal year 1983 and 1984 dislocated worker funds had to be separately identified, programs were operational concurrently from the two funding sources during the transition period. Otherwise, all fiscal year 1983 funds would have been expended early in fiscal year 1984. Programs for older individuals have been slower to implement, due to difficulties in finding employment opportunities for this target group. The Mississippi Council on Aging, through a cooperative agreement between our offices, has recently provided recruitment and program design assistance. With this boost, we are optimistic that our service levels to this target group will shortly improve. If we were able to train for employment opportunities in the public sector as well as the private sector as mandated in the act—section 124(A)—our programs would be more attractive to this target group. This would open up many opportunities in the health fields and service areas.

As Ms. Hogan stated earlier, we are committed to fulfilling the State's JTPA management and leadership role. The majority of our time over the past year has been in developing necessary procedures and providing training and technical assistance. Three JTPA manuals have been developed and issued to the SDA's to assure proper management of the program. These include the SDA operations manual, participant forms manual, and a property manual. Also, an SDA instructional system and SDA memo system have been implemented to provide guidance and information.

Policies and procedures adopted and issued by the State are primarily consistent with those in OMB Circulars A–87, A–102, and 41 CFR part 29–70. However, our procedures are not as lengthy nor as complicated as these. We have made an extraordinary effort to reduce paperwork and other burdensome requirements imposed on SDA's while maintaining integrity and accountability. An example of reduction in paperwork is the elimination of an annual close-out requirement. We have established a 2-year grant process to prevent the necessity of annual closeouts.

Workshops and conferences for SDA staff have also been sponsored by the GOJDT. These workshops have been specifically selected or designed to meet needs identified by the SDA's.

We have a standing policy of transmitting draft copies of manuals, procedures, and major instructions for a 2-week review and comment period.

To trigger any early problem areas, each SDA was monitored during the transition period. In addition, preaward surveys were conducted for each SDA. I am pleased to report that each SDA has satisfactorily initiated management and programmatic requirements necessary for a successful JTPA program.

The State welcomes the opportunities and responsibilities provided in JTPA. We in Federal-State programs believe that we exist as a service agency. Every attempt is made to reduce unnecessary paperwork and restrict the imposition of additional regulations. Reporting requirements are minimal and we foresee even reducing existing reports as our computerized MIS is validated.

Monitoring and oversight functions are taken seriously. Also, training and technical assistance activities have been carefully planned to meet needs as specified by the SDA's. We have secured the professional assistance of a CPA firm to insure that our interpretations of cost classifications are reasonable and in compliance with the act and the regulations. As a result, our classification of costs is as liberal as we feel possible while still protecting the Governor.

We would certainly welcome the opportunity to lessen accountability requirements and ease the administrative burdens of the SDA's. Any assistance you can provide in this area would be bendficial to SDA's across the country.

Another State responsibility we see as essential in establishing a comprehensive employment and training network is coordination. We have cross-trained staff within the different Federal-State programs agencies to promote a better understanding and sharing of the various programs. Appropriate Federal-State programs agencies then developed specific coordination linkages to increase the effectiveness of their services and provide a more comprehensive strategy toward overcoming employment, training, economic, and social difficulties.

For the first time, the department of mental health, department of public welfare, and MESC have colocated services in two areas of the State to offer a full range of services to workers dislocated as a result of completion of various portions of the Tennessee-Tombigbee Waterway. Also, this year the State job training coordinating council reviewed the Wagner-Peyser plan and the vocational education plan. Efforts have been made to increase joint planning at the local level to involve the SDA, local junior colleges, job service offices, and WIN staff. Additional training to facilitate local planning is now being developed. We are excited about the bridges we are building between our separately funded and administered programs.

You ask if the requirements of JTPA adequately reflect its underlying philosophy and provide a workable system for movement toward achieving the goals of the act. In responding, I commend you and the other JTPA congressional sponsors and answer with a strong "Yes." However, the "Yes" is qualified with our primary recommendations for changes falling under the block grant and matching concepts as discussed.

We have also attached to my statement a list of other areas found in the act and regulations, which are problematic. I would be happy to elaborate on any of these areas upon your request.

Again, thank you for the opportunity to provide you with our State's comments relative to the implementation of JTPA.

Senator COCHRAN. Thank you very much, Mrs. Rhodes.

[Attachment to statement of Mrs. Rhodes follows:]

ATTACHMENT TO TESTIMONY OF JUDY RHODES

PROBLEMATIC ISSUES
JOB TRAINING PARTNERSHIP ACT (JTPA)

1. Section 105(a)(2). Review and Approval of Plan

   Recommendation. Amend the last sentence of this section to read "Any modification shall be published not later than 80 days before it is effective or simultaneous with submission if the 80 day publication notice would inhibit effective program operation or services and shall be submitted to the Governor in accordance with such section."

   Problem. Recently Congress appropriated additional funds for the on-going Summer Youth Employment and Training Program. These funds could not be effectively utilized if the Service Delivery Area (SDA) strictly adheres to the 80 day publication notice.

2. Section 108(b) and (e). Limitation on Certain Costs

   Recommendation. For states providing limited public assistance, allow additional funds for supportive services with performance standards being adjusted accordingly.

   Problem. Mississippi provides the lowest weekly ADC benefit payment in the nation. This payment is not sufficient to cover unusually high transportation costs and scarce child care services characterizing rural areas. Whereas Section 108(c)(2) permits SDAs to exceed this limitation, performance standards cannot be adjusted for this purpose under the national model.

3. Section 121(b)(1). Governor's Coordination and Special Services Plan

   Recommendation. Incorporate recognition and compliance with Governor's Coordination Criteria in other federal legislation, for example, the Vocational Education Act.

   Problem. Coordination Criteria cannot be completely effective without support of other appropriate enabling legislation.

4. Section 123(b). State Education Coordination and Grants

   Recommendation. Eliminate the matching requirement.

   Problem. In those states where cash matching is not available due to economic conditions, accounting and administrative provisions to document match are unduly burdensome.

5. Section 124(a). Training Programs for Older Individuals

Recommendation. Add to the end of this section: "but in no way prohibits the training and placement of older individuals in employment opportunities in the public sector."

Problem. Many training and employment opportunities suitable to the older individual exist in the public sector; i.e., hospitals and other service areas.

6. Section 125(a) and Part E of Title IV. Labor Market Information (LMI)

Recommendation. Increase the funding available for LMI activities.

Problem. Funding specifically designated for LMI has been substantially reduced. States which have large JTPA 5% funds or increases in Wagner-Peyser allocations can easily supplement LMI resources to provide sufficient data. However, states with small JTPA funding and decreases in Wagner-Peyser allocations do not have the financial resources to insure adequate availability of LMI.

7. Section 203(b)(1). Eligibility for Services

Recommendation. Amend the last portion of this section to read "not less than 40 percent of the funds available for such services shall be expended or 40 percent of the enrollment in such programs shall be targeted to provide such services to eligible youth."

Problem. The accountability required to document fund expenditures for youth is cumbersome and time consuming.

8. Section 203(b)(3). Eligibility for Services

Recommendation. Either authorize funding to collect statistics on eligible school dropouts or delete this section.

Problem. Data is readily available and reliable on the number of economically disadvantaged. However, a breakout of this statistic to indicate school status is not available.

9. Section 205(d)(3)(B). Exemplary Youth Programs

Recommendation. Add to this section the following: "Compensation in lieu of wages shall not be deemed wages."

Problem. IRS offices in various states are issuing different interpretations of this section. Many have ruled that "compensation" is "wages" and, therefore, taxable.

10. Section 304. Matching Requirement

Recommendation. Delete this section.

Problem. States which cannot provide cash matching due to economic conditions face burdensome and extensive accounting and administrative requirements.

11. Title IV. Federally Administered Programs

Recommendation. Add to each Part of Title IV a state review and comment period of thirty days prior to the award of any nationally funded contract.

Problem. Although some Parts of Title IV include coordination provisions, such coordination has been minimal if existant. The recommendation would at least offer limited review and comment opportunity to build linkages and prevent any potential duplication.

12. Title II. Section 202(a) & (b); Section 251; Title III, Section 302.

Recommendation. Consideration should be given to providing JTPA funds to the state in block grant form (i.e., Community Development Block Grant and/or Human Services Block Grant legislation.)

Problem. It should be noted that JTPA is a block grant of sorts since funds are now blocked or allocated directly to the State or Governor for administration and allocation. Funds are allocated by program category rather than as a full block. The disadvantage of the JTPA is that programs and eligibility differ by title and subtitle causing varied reporting requirements by program as well as by participant type.

Section 202(a) & (b) of JTPA identifies four different allocations of dollars to four different program types and target groups.

(1) Service Delivery Areas - 78% of allotment
(2) State Education Programs - 8% of allotment
(3) Older Workers - 3% of allotment
(4) Incentive Grants - 6% of allotment

SDA (Title II-A) expenditures must be tracked not only by cost categories but also by youth and adult expenditures.

The State Education and Coordination Grants (8% of Title II-A) is a setaside which must maintain a separate account also. That is perhaps, simple enough. However, the 8% is further broken down to 80% and 20%. The 80% is matched by the state and further broken down to 75% and 25%. You end up with a situation in which you are talking to people about 75% of the 80% of the 8%. This is the level at which accounting and administration is complicated to the point that these functions tend to take on more significance than the programs being offered. The State must establish and maintain separate accounting on 14 different setasides under II-A alone. This accounting is required because of varying program types and participant eligibility.

Title III and II-B are two other separate accounts. While Title II-B is relatively simple to track, Title III accounting is complicated by the matching requirements. Due to these multiple accounting categories, much valuable staff time and effort must be devoted to insuring adequate records.

With block grants, states can tailor their spending to meet their own local needs. Federal regulations and reporting requirements are reduced to the minimum necessary to assure that the broad purposes of the blocks are being observed, and state programs comply with the law, and that funds are spent for purposes intended by the law.

ATTACHMENT TO TESTIMONY OF JUDY RHODES

PROBLEMATIC ISSUES
FEDERAL REGULATIONS IMPLEMENTING
JOB TRAINING PARTNERSHIP ACT (JTPA)

1. Section 629.21(c). Needs-based Payments

   Recommendation. Delete section

   Problem. An individual record of the determination of need is unnecessary and burdensome paperwork.

2. Section 629.38(e)(2)(iii). Classification of Costs

   Recommendation. Amend this section to add the following "or upon youth attainment of outcomes specified in Section 106(b)(2) of the Act."

   Problem. The current language of the regulations does not permit the charging to training of fixed unit priced youth contracts which include competencies building. The recommended change would be consistent with the performance standard system and permit the same flexibility for youth programs.

3. Section 629.38(e)(5). Classification of Costs

   Recommendation. Amend this section to allow the charging of 100% of Employment Generating Services Costs to training for programs conducted in state or federally designated enterprise zones.

   Problem. Employment Generating Services are listed as an allowable activity in the Act. The recommendation would create job opportunities in depressed areas where training would be otherwise futile.

4. Section 629.39(g). Limitations on Certain Costs

   Recommendation. Clarify this section to insure that such funds pooled would not be required to be reported separately by Title.

   Problem. Department of Labor (DOL) has ruled that, while administrative cost pools may be established, such costs must be reported separately. This negates the flexibility of the pooling concept.

Senator COCHRAN. Bill Hackett.

BILL HACKETT. Senator Quayle, Senator Cochran, and other distinguished subcommittee members, I am William Hackett, executive director of the Mississippi Department of Economic Development. This State agency, functioning under the authority of the Mississippi Board of Economic Development, is charged with providing services which will encourage economic growth in the specific fields of industrial development, marketing of Mississippi's products, and development in tourism. The department of economic development was involved in the development of over 500 new or expanded industries in 1983 with total job openings in excess of 15,000 and total investments of approximately $600 million. Our success can be attributed to the department's energetic and professional staff, support of the executive department, the State legislature, the cooperative spirit between State and local agencies, and the commitment of the private sector.

Perhaps one of our strongest enticements to new and expanding industries is our startup program. We in Mississippi, through our unique industrial services section of the department of vocational-technical education have worked with large companies and small to provide cost-free preemployment and startup training programs that have been singularly successful in providing responsible, well-trained workers to industry.

In a recent 3-year period, 14,500 Mississippians enrolled in industrial preemployment or startup training programs. An amazing 13,185, or 95 percent of the trainees, completed these programs and were employed by Mississippi corporations.

We believe that the secret of Mississippi's success in this area is the smooth coordination among State agencies working with industrial companies. The department of economic development working with a company starting a plant in Mississippi brings in representatives from the employment service, vocational and technical division of the State department of education, area junior colleges, and training manual experts from Mississippi State University. This group works closely with company representatives to create a training program to meet the company's specific requirements. I am happy to say that the Governor's office of job development and training is a working partner in this program. Through the JTPA funds made available, we are able to expand our efforts and train both the economically disadvantaged and dislocated workers for productive employment in new or expanding industries. The flexibility of this approach is one of the strengths Mississippi offers in training personnel to meet industry needs.

Since the department is represented on the State job training coordinating council, I have a real interest in linking JTPA and economic development activities. A representative of my staff also serves on the private industry council of the Mississippi service delivery area. We concur with the PIC policy of training only in documented demand areas. To assist JTPA planners identify demand occupations, we publish a list of new and expanding industries monthly. This information gives the name, address, product, employment level, and investment of the industry.

We are pleased with the coordination achieved between JTPA and economic development activities. However, we look at the unemployment rates of many of our rural counties and realize our efforts must be increased. For instance, Montgomery County had an annual unemployment rate for 1983 of 20.6 percent. The county is small and rural with a labor force of approximately 4,250. Montgomery County's industrial base reflects the picture of the typical rural Southern county.

Lumber and apparel industries are the primary source of manufacturing jobs. Prior to 1979, manufacturing jobs numbered 1,040. This number was halved with the 1979 recession and the closing of the major apparel employer. Now, in 1984, the economic outlook is still bleak. Although JTPA funds are available for training, there are very few job opportunities in Montgomery County. Thus these dollars cannot be effectively utilized. Isn't it ironic that JTPA funds are allocated primarily based on unemployment factors and Montgomery County with one of the highest unemployment rates in the Nation cannot benefit from these training dollars?

To address the needs of similar counties with high unemployment rates and low per capita income, the Mississippi legislature passed the Enterprise Zone Act of 1983. This act seeks to stimulate business and industrial growth in the distressed areas of the State by providing special tax incentives and financial assistance to businesses and industries in the area. Ten counties have already been designated as enterprise zones.

I would recommend that JTPA funds be utilized in concert with State funds in these designated areas to promote economic development activities. The act allows for employment generating services. However, the regulations restrict activities by classifying such costs as nontraining. To increase job opportunities for the benefit of JTPA participants in distressed areas and permit the utilization of training dollars, the regulations should allow the charging of economic development activities to training.

I implore you to recognize the plight of our rural impoverished counties, consider this change in regulations, and encourage its adoption.

I might add away from my printed statement that I recently with the assistance of Mrs. Rhodes and Mrs. Hogan applied to the Department of Labor for a special grant to test my theories to work with these particular counties. I was advised this week that I was turned down and I think they made a bad mistake.

Senator **Cochran**. Mrs. Park.

Mrs. **Park**. Senator Cochran, distinguished panel members, ladies and gentlemen, on behalf of the commissioner I am happy to have the opportunity to be here today to comment on the New Job Partnership Act, knowing that it is designed basically to provide training and employment opportunities to an economically disadvantaged population to enable them to develop entry level job skills in order to enter private sector employment.

This means a lot to the department of public welfare and also to the welfare recipients in our State. Having been employed by the agency for 11 years and having had the opportunity to work with the work incentive program during that time, I feel that I am very familiar with not only the barriers but also the basic employability credentials that our welfare recipients possess.

Just a brief overview of the act. We are encouraged to know that, according to section 203, part 3, that welfare recipients are targeted to be served on an equitable basis.

We are also encouraged that section 502 of the act contained changes to the Social Security Act which requires that WIN registrants be referred for training and employment and it also provides that the WIN moneys be utilized for such training.

We are making joint efforts to follow these guidelines, not only to eliminate duplication of services as mandated by the act but to ensure a more efficient and adequate service delivery to the WIN registrants or adult welfare and youth in our State.

We commend the Governor's office of job development and training staff in each of the three designated service delivery areas for their cooperative efforts to link program activities during this transitional period of the act. We feel we have experienced joint progress in the area of the JTPA service delivery to welfare recipients, especially to food stamp youth. We feel, in time that we can also experience the same success in the delivery of services to our adult welfare population.

Linkage to JTPA means that such goals of self-sufficiency and a breakaway from the welfare syndrone is possible for the welfare clients in our State.

Permit me to share a brief overview of the WIN program. As Judy Rhodes has mentioned, it is the currently established employment and training program designed to serve job-ready AFDC recipients.

The program is operational now in only six counties because, in 1981, we experienced a 34-percent Federal budget cut. Those active counties are Hinds, Harrison Lowndes, Lauderdale, Forrest, and Leflore. We are currently serving a total of 6,401 individuals.

At least 97 percent of the total WIN registrants in these counties are female; 88 percent are black females, while the remaining 12 percent include white and hispanic females. Mississippi's welfare system, as many of you know, does not include unemployed fathers, and only 75 percent of base need is met in our State. Of the total population in WIN, at least 75 percent are between the age of 22 and 24 years of age; this meets the definition of adult welfare; 38 percent have completed grades 9 through 11, while 32 percent have obtained a high school diploma or GED equivalent. At least 12 percent have attended either a junior, senior or commercial business college; 57 percent of the registrant population have children who are 6 or above. Current WIN regulations require them to register for employability and training services. We are proud that Mississippi has a voluntary rate of 43 percent, this is a strong indicator that the AFDC population in our State want to work. They want to break away from the welfare syndrome.

During the planning phase of the Job Training Partnership Act, which I understand terminated on June 30, 1984, the State department of public welfare, in order to coordinate services to insure adequate service delivery to our clients jointly signed cooperative agreements with each of the three service delivery areas and initiated meetings at the State and local levels to discuss the methodology of the referrals and the lack of services being provided to the employable and trainable adult welfare population in each service delivery area. We issued operational field staff bulletins encouraging local coordination among the three SDA's. We also responded to the Department of Labor's draft performance evaluation standards, a response of which I think we attached to the act, attempting to understand section 203 regarding services on an equitable basis to ADC recipients and to high school dropouts.

The Mississippi SDA caseload consists of 78 counties. The AFDC caseload consists of 48,000 individuals.

The Gulf Coast Business Service Cooperation consists of Harrison and Hancock counties and has an AFDC caseload of over 2,000 individuals. CATEC, which involves Hinds County, the most productive WIN area, consists of an AFDC caseload of 4,739 individuals.

In order to insure that an equitable number of welfare adults, 22 years and older, receive JTPA services in the future, we recommend that Congress encourage and support:

First. Interagency coordination at the national level among various Federal agencies, USDA, HHS, FNS, Department of Labor, Office of Family Assistance, and everyone who is affected by JTPA.

Second. A stronger commitment from the Department of Labor to serve welfare recipients. We would love to see this happen.

Third. A clear-cut definition of the law as it pertains to equitable services, to welfare recipients, and last, but not least,

Fourth. A reevaluation of the national performance standards involving welfare professionals in establishing criteria that is applicable to the employable and the trainable welfare population in our State.

We would recommend that the Governor be allowed to maintain authorization beyond the planning stage to vary or to modify standards according to the economic, the demographic, or other factors of each SDA area in order to ensure that the adult welfare individuals can be equitably served. A reevaluation of these standards will ensure that the entry level requirements do not surpass, as we are concerned, the employable welfare recipient's skills in order to prevent creaming up front and to ensure, as we continue to stress, equitable services to those individuals who lack the initial skills but possess the ability to be trained. We ask that a reassessment of the national performance standard be completed.

An economically disadvantaged population cannot eliminate such barriers as the need for child care, transportation, the need for medical care, and other barriers that our welfare recipients who are employable and who are trainable are often confronted with. We recommend that a larger percentage of JTPA funds be earmarked for allowances, especially in the WIN remote areas. As you know, only 6 of 82 counties are active WIN counties. The regulations are firm pertaining to provisions of such limited resources.

In closing, we understand the Department's desire to keep the JTPA regulations to a minimum and to allow Governors of States flexibility. However, we feel some specifics with respect to allowances, reporting requirements, and performance standards will be needed in the months ahead to insure that the adult welfare and the youth, who are indeed the economically disadvantaged population, be served in our State.

Thank you.

Senator COCHRAN. Thank you very much.

[The prepared statement of Mrs. Park follow.]

STATEMENT BEFORE
SUB-COMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
RAMADA INN COLESIUM
JACKSON, MISSISSIPPI

JULY 12, 1984

BY
CAROLYNE D. PARK, ADMINISTRATOR
WORK INCENTIVE PROGRAM
MISSISSIPPI STATE DEPARTMENT OF PUBLIC WELFARE

SENATOR QUAYLES, SENATOR COCHRAN, DISTINGUISHED PANEL MEMBERS, LADIES AND GENTLEMEN . . . ON BEHALF OF OUR COMMISSIONER, DR. DONALD B. ROARK AND THE STATE DEPARTMENT OF PUBLIC WELFARE, I AM HAPPY TO HAVE THE OPPORTUNITY TO COMMENT ON THE JOB TRAINING PARTNERSHIP ACT WHICH REPLACED CETA IN 1982 AS IT WAS BASICALLY DESIGNED TO PROVIDE TRAINING AND EMPLOYMENT OPPORTUNITIES TO AN ECONOMICALLY DISADVANTAGED POPULATION TO ENABLE THEM TO DEVELOP ENTRY LEVEL JOB SKILLS IN ORDER TO ENTER PRIVATE SECTOR EMPLOYMENT. HAVING BEEN EMPLOYED BY THE AGENCY FOR ELEVEN YEARS AND HAVING HAD THE OPPORTUNITY TO CLIMB THE CAREER LADDER OF THE WORK INCENTIVE PROGRAM, I AM VERY FAMILIAR WITH NOT ONLY THE BARRIERS, BUT ALSO BASIC EMPLOYABILITY CREDENTIALS OF THE WELFARE POPULATION IN OUR STATE.

OVERVIEW OF ACT

WE WERE ENCOURAGED TO KNOW THAT, ACCORDING TO SECTION 203, PART 3, OF THE ACT, WELFARE RECIPIENTS ARE TARGETED TO BE SERVED ON AN EQUITABLE BASIS.

WE ALSO WERE ENCOURAGED THAT SECTION 502 OF THE ACT CONTAINED CHANGES TO THE SOCIAL SECURITY ACT WHICH REQUIRES THAT WIN REGISTRANTS BE REFERRED FOR TRAINING AND EMPLOYMENT, AND IT ALSO PROVIDES THAT WIN MONIES BE UTILIZED FOR SUCH TRAINING. WE ARE MAKING JOINT EFFORTS TO FOLLOW THESE GUIDELINES, NOT ONLY TO ELIMINATE DUPLICATION OF SERVICES

AS MANDATED BY THE ACT, BUT TO ENSURE A MORE EFFICIENT AND ADEQUATE SERVICE DELIVERY TO WIN REGISTRANTS WHO MEET THE FULL DEFINITION OF ADULT WELFARE.

WE COMMEND THE STAFF IN EACH OF THE THREE DESIGNATED SERVICE DELIVERY AREAS FOR THEIR COOPERATIVE EFFORTS TO LINK PROGRAM ACTIVITIES DURING IS TRANSITIONAL PHASE OF THE ACT. WE FEEL WE HAVE EXPERIENCED JOINT PROGRESS IN THE AREA OF THE JTPA SERVICE DELIVERY TO WELFARE AND FOOD STAMP YOUTH. WE FEEL, IN TIME THAT WE CAN ALSO EXPERIENCE THIS SAME SUCCESS IN THE DELIVERY OF SERVICES TO OUR ADULT WELFARE POPULATION.

LINKAGE TO JTPA MEANS THAT SUCH GOALS OF SELF-SUFFICIENCY AND A BREAK AWAY FROM THE "WELFARE SYNDROME" IS POSSIBLE FOR THE WELFARE CLIENTS IN MISSISSIPPI.

PERMIT ME TO SHARE A BRIEF OVERVIEW OF THE WIN PROGRAM AS IT IS THE ESTABLISHED EMPLOYMENT AND TRAINING PROGRAM DESIGNED TO SERVE JOB READY ADC RECIPIENTS.

DEMOGRAPHICS

THE PROGRAM IS OPERATIONAL IN SIX COUNTIES - HINDS, HARRISON, LOWNDES, LAUDERDALE, FORREST, AND LEFLORE. WE ARE CURRENTLY SERVING A TOTAL OF 6,401 REGISTRANTS.

AT LEAST 97% OF THE TOTAL WIN REGISTRANTS IN OUR STATE ARE FEMALE, 88% ARE BLACK FEMALES, WHILE THE REMAINING TWELVE PERCENT INCLUDE WHITE AND HISPANIC FEMALES. (MISSISSIPPI'S WELFARE SYSTEM DOES NOT INCLUDE UNEMPLOYED FATHERS AND ONLY SEVENTY-FIVE PERCENT OF BASE NEED IS MET.) OF THE TOTAL POPULATION, AT LEAST 75% ARE BETWEEN THE AGES 22-24 AND

MEETS THE DEFINITION OF ADULT WELFARE. THIRTY-EIGHT PERCENT HAVE COMPLETED GRADES 9-11, WHILE 32% HAVE OBTAINED A HIGH SCHOOL DIPLOMA OR GED EQUIVALENT. AT LEAST 12% HAVE ATTENDED EITHER A JUNIOR, SENIOR, OR COMMERCIAL BUSINESS COLLEGE. FIFTY-SEVEN PERCENT OF THE REGISTRANT POPULATION HAVE CHILDREN WHO ARE SIX OR ABOVE AND ARE REQUIRED TO REGISTER FOR WIN SERVICES. MISSISSIPPI MAINTAINS A 63% VOLUNTARY RATE WHICH IS A STRONG INDICATOR THAT THE MAJORITY OF EMPLOYABLE FEMALE ADULTS CONTINUE TO SEEK EMPLOYMENT OR TRAINING TO BECOME ECONOMICALLY SELF-SUFFICIENT.

JTPA PLANNING PHASE

DURING THE PLANNING PHASE OF THE JOB TRAINING PARTNERSHIP ACT, WHICH I UNDERSTAND TERMINATED ON JUNE 30, 1984, THE STATE DEPARTMENT OF PUBLIC WELFARE, IN ORDER TO COORDINATE JTPA SERVICES FOR OUR WELFARE POPULATION, HAS (1) JOINTLY SIGNED COOPERATIVE AGREEMENTS WITH EACH OF THE THREE SERVICE DELIVERY AREAS IN THE STATE, (2) INITIATED MEETINGS AT STATE AND LOCAL LEVELS TO DISCUSS THE METHOLOGY OF REFERRALS AND LACK OF SERVICES BEING PROVIDED TO THE EMPLOYABLE AND TRAINABLE ADULT WELFARE POPULATION IN EACH SERVICE DELIVERY AREA, (3) ISSUED OPERATIONAL FIELD STAFF BULLETINS ENCOURAGING LOCAL COORDINATION, AND (4) RESPONDED TO DOL'S DRAFT PERFORMANCE EVALUATION STANDARDS (RESPONSE IS ATTACHED) OF THE ACT, ATTEMPTING TO UNDERSTAND SECTION 203, REGARDING SERVICES ON AN EQUITABLE BASIS TO ADC RECIPIENTS AND HIGH SCHOOL DROPOUTS.

ADC CASELOAD PER SERVICE DELIVERY AREA

THE MISSISSIPPI SDA CONSISTS OF 78 COUNTIES AND AN ADC CASELOAD OF 48,757 INDIVIDUALS.

THE GULF COAST BUSINESS SERVICE COOPERATION CONSISTS OF HARRISON AND HANCOCK COUNTIES AND AN ADC CASELOAD OF 2,117 INDIVIDUALS.

THE CAPITAL AREA TRAINING AND EMPLOYMENT CONSORTIUM CONSISTS OF HINDS AND RANKIN COUNTIES AND AN ADC CASELOAD OF 4,739 INDIVIDUALS.

THE PERCENTAGE BREAKDOWN OF THOSE ADC INDIVIDUALS TARGETED TO BE SERVED BY EACH SDA IS AS FOLLOWS:

SDA	ADC CASELOAD	JTPA PERCENTAGE TARGETED TO BE SERVED
MS. SERVICE DELIVERY AREA	48,757	576 (.012%)
C.A.T.E.C.	4,739	157 (.033%)
GULF COAST COMMUNITY AND BUSINESS SERVICES CORPORATION	2,217	60 (.027%)

RECOMMENDATIONS

IN ORDER TO ENSURE THAT AN EQUITABLE NUMBER OF OUR WELFARE ADULTS (AGES 22 - OLDER) RECEIVE JTPA SERVICES IN THE FUTURE, WE RECOMMEND THAT CONGRESS ENCOURAGE AND SUPPORT:

1. INTERAGENCY COORDINATION AT THE NATIONAL LEVEL AMONG VARIOUS FEDERAL AGENCIES, NAMELY _ DEPARTMENT OF LABOR, OFFICE OF FAMILY ASSISTANCE, HEALTH AND HUMAN SERVICES AND FNS/USDA. ALL OF THESE AGENCIES ARE AFFECTED BY JTPA.
2. A STRONGER COMMITMENT FROM DEPARTMENT OF LABOR TO SERVE WELFARE RECIPIENTS.
3. A CLEAR CUT DEFINITION OF THE LAW AS IT PERTAINS TO "EQUITABLE SERVICES" TO WELFARE RECIPIENTS.
4. A REEVALUATION OF THE NATIONAL PERFORMANCE STANDARDS INVOLVING WELFARE PROFESSIONALS IN ESTABLISHING CRITERIA APPLICABLE TO THE EMPLOYABLE AND TRAINABLE WELFARE POPULATION TARGETED TO BE SERVED.

5. THE GOVERNOR (AS OUTLINED IN SECTION 106 OF THE ACT) IN MAINTAINING AUTHORIZATION BEYOND THE PLANNING PHASE TO VARY OR MODIFY STANDARDS ACCORDING TO THE ECONOMIC, DEMOGRAPHIC, OR OTHER FACTORS OF EACH SDA IN ORDER TO ENSURE THAT ADULT WELFARE INDIVIDUALS CAN BE EQUITABLY SERVED. A RE-EVALUATION OF THESE STANDARDS WILL ENSURE THAT ENTRY LEVEL REQUIREMENTS DO NOT SURPASS THE EMPLOYABLE WELFARE RECIPIENT'S SKILLS IN ORDER TO PREVENT "CREAMING" UPFRONT AND TO ENSURE, AS WE CONTINUE TO STRESS, EQUITABLE SERVICES TO THOSE INDIVIDUALS WHO LACK THE INITIAL SKILLS BUT POSSESS THE ABILITY TO BE TRAINED FOR ENTRY INTO PRIVATE SECTOR EMPLOYMENT THROUGH AVAILABLE JTPA TRAINING PROGRAMS.

NEEDS BASED PAYMENTS

AN ECONOMICALLY DISADVANTAGED POPULATION CAN NOT ELIMINATE SUCH BARRIERS AS THE NEED FOR CHILD CARE, TRANSPORTATION, AND OTHER SERVICES IN ORDER TO ENTER TRAINING OR EMPLOYMENT. WE RECOMMEND THAT A LARGER PERCENTAGE OF JTPA FUNDS BE EARMARKED FOR ALLOWANCES, ESPECIALLY IN WIN REMOTE AREAS, TO ALLOW MORE ADC RECIPIENTS TO PARTICIPATE IN TRAINING ACTIVITIES.

THE REGULATIONS ARE FIRM PERTAINING TO PROVISION OF SUCH LIMITED SERVICES.

IN CLOSING WE UNDERSTAND THE DEPARTMENT'S DESIRE TO KEEP THE JTPA REGULATIONS TO A MINIMUM AND TO ALLOW GOVERNORS FLEXIBILITY. HOWEVER, WE FEEL SOME SPECIFICS WITH RESPECT TO ALLOWANCES, REPORTING REQUIREMENTS, AND PERFORMANCE STANDARDS WILL BE NEEDED IN THE MONTHS AHEAD.

Senator COCHRAN. Mr. Robertson.

Mr. ROBERTSON. Senator Cochran, I am Cohen Robertson, executive director of the Mississippi Employment Security Commission. I want to thank you for the opportunity to appear and offer testimony in regard to serious problems due to the JTPA amendments to the Wagner-Peyser Act and to offer some recommendations relative to these problems.

The employment security system in this Nation has now passed its 50th year of valuable service to job applicants, the unemployed workers, and the employers. This system has been severely damaged by funding reductions and greatly reduced Federal assistance. Nationally the staff has been reduced 24 percent, from 30,000 to approximately 22,800 with rumors of still further reductions. Mississippi was reduced from 407 in the fiscal year 1981 to 311 in the fiscal year 1984 with further reductions to come. This can only result in decreased service to the employers and applicants of this State in the employment and training activities.

Prior to the JTPA amendments to Wagner-Peyser the job service was funded on what was called a balance placement formula. Simply stated, we were funded on productivity and placements.

The new formula calls for fund distribution on the basis of two-thirds for the size of the labor force and one-third on the number of unemployed. This does not appear to be consistent with the other parts of JTPA where funding is provided as incentive for productivity.

I would strongly recommend a change in the present formula to distribute funds on the size of labor force, number of unemployed, and at least one-third of the allocation based on placement productivity. Without the capability to maintain a statewide network of job service offices our ability to provide linkage with JTPA, economic development groups will be adversely affected, as will our ability to provide the needed work test for unemployment insurance claimants.

The second area I would like to address deals with labor market information. This is critical to all facets of employment and training efforts as well as economic development. It is vital to financial institutions as they formulate lending and investment policies.

The present inadequate and fragmented method of funding that program creates a problem. I would recommend consideration be given to national funding for State labor market information programs to the employment security agencies with appropriate direction and technical assistance from the Bureau of Labor Statistics and the Employment Training Administration at both the national and regional levels. The employment security agencies have accumulated this information for several years and have the expertise to produce a quality product. BLS and ETA direction and technical assistance would insure uniformity of information on a national basis. The employment security commission has a long successful involvement in the employment forming and training programs for the disadvantaged and the dislocated workers. I presently serve on the State job training coordinating council and a senior job service staff member serves on each of the State's three service delivery areas private industry councils. This agency's linkage with JTPA is strong and viable.

We are involved in labor market information, planning, recommendation of training, improvements, enrollment in classroom training, summer youth employment, job search skills training, startup training, placement and we are the primary deliverer of services under title III dislocated worker.

In this area I would like to strongly recommend that consideration be given to increased funding of the title III dislocated worker. This program has been successful in Mississippi and could serve additional applicants with additional funding.

I would also recommend the elimination of matching fund requirements in JTPA. Time consumed in documenting this requirement is not cost-effective and places this State, in my opinion, at a disadvantaged position.

My final point, Senator, deals with Federal-State partnership between the employment and training administration and the State employment security agencies.

As you know, Employment and Training Administration has severely decreased staff at the national and regional levels. This causes many to question ETA's ability to continue many activities in the area of guidance and technical assistance in the State that will keep a viable Federal-State partnership between Employment and Training Administration and employment security agency. The trend seems to be to let each State go its own way in the operation of a job exchange. This can only result in severe weakening of the entire job service system. The high degree of mobility of the work force that must exist to react to changes and technology requires a national type job exchange. This can very effectively be done through a strong Federal-State partnership, and I might add, Senator, that this partnership should be on a brother to brother and not a father to son. I find the present trend of encouraging each State job service to go its own way to be totally inconsistent with the defense posture of the present administration. This country must have a system in place now that will be capable of mobilizing a labor force of this Nation in time of national emergency. I find it difficult to comprehend that the leadership of this Nation would allow the United States to be the only country in the free world, as far as I have been able to determine, that will not have a national job service capability.

In this connection I would recommend that the Congress require ETA to maintain the Federal-State partnership in employment service operation to insure a national job service that would be responsive to all job-seekers in peacetime and be trained and fully prepared to mobilize manpower to staff the industrial complex and the civilian requirements of the military in the time of national emergency.

This concludes my remarks and I will be glad to respond to your questions.

[The prepared statement of Mr. Robertson follow:]

TESTIMONY OF
COHEN ROBERTSON, EXECUTIVE DIRECTOR
MISSISSIPPI EMPLOYMENT SECURITY COMMISSION
AT SENATE COMMITTEE FOR LABOR AND HUMAN SERVICES,
SUB-COMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
JACKSON, MISSISSIPPI

JULY 12, 1984

SENATOR QUAYLE, SENATOR COCHRAN, AND COMMITTEE MEMBERS -

I AM COHEN ROBERTSON, EXECUTIVE DIRECTOR OF THE MISSISSIPPI EMPLOYMENT SECURITY COMMISSION. I THANK YOU FOR THE OPPORTUNITY TO APPEAR AND OFFER TESTIMONY REGARDING A SERIOUS PROBLEM IN MISSISSIPPI AND MUCH OF THE UNITED STATES.

THE EMPLOYMENT SECURITY SYSTEM IN THIS NATION HAS NOW PASSED ITS 50TH YEAR OF VALUABLE SERVICE TO JOB APPLICANTS, THE UNEMPLOYED WORKERS, AND THE EMPLOYERS. THE SYSTEM HAS BEEN SEVERELY DAMAGED BY FUNDING REDUCTIONS AND GREATLY REDUCED FEDERAL ASSISTANCE IN RECENT YEARS.

PRIOR TO TRANSITION FISCAL YEAR 1984, EACH STATE WAS ALLOCATED A SHARE OF THE TOTAL NUMBER OF STAFF POSITIONS ESTABLISHED NATIONALLY. THIS NATIONAL ALLOCATION BY CONGRESS WAS 30,000 POSITIONS UNTIL REDUCED TO 24,600 BEGINNING IN FISCAL YEAR 1982. THE SHARE OF STAFF POSITIONS USING A "BALANCED PLACEMENT FORMULA" WAS FAVORABLE TO MISSISSIPPI DUE TO ITS VERY HIGH JOB PLACEMENT PRODUCTIVITY RECORD. IN FISCAL YEAR 1981, MISSISSIPPI WAS ALLOCATED 407.1 BASE STAFF POSITIONS FOR JOB PLACEMENT AND RELATED SERVICES UNDER THE WAGNER-PEYSER ACT. THIS, PLUS ADMINISTRATION AND SERVICES POSITIONS, WAS 1.458% OF THE TOTAL STAFF POSITIONS AVAILABLE NATIONALLY. FOR FISCAL YEAR 1982, CONGRESS REDUCED THE NATIONAL STAFF POSITIONS TO 24,600 AND THE WAGNER-PEYSER SHARE FOR MISSISSIPPI WAS 332.0 STAFF POSITIONS. THIS SEVERELY IMPACTED ON A SERVICE THAT WAS FACED WITH A TREMENDOUS INCREASE IN

UNEMPLOYMENT AND AT A TIME FULL RESOURCES WERE NEEDED TO ASSIST THE STATE AND NATIONAL ECONOMY TO RECOVERY. THE AGENCY WAS FORCED TO CLOSE SIXTEEN (16) SERVICE DELIVERY LOCATIONS AND REDUCE EMPLOYMENT SERVICES TO SIXTY-EIGHT (68) OF THE EIGHTY-TWO (82) COUNTIES.

THE JOB TRAINING PARTNERSHIP ACT (JTPA) AMENDMENTS TO THE WAGNER-PEYSER ACT CHANGED THE BASIS FOR ESTABLISHING EACH STATE'S SHARE OF THE NATIONAL FUNDING. THE AMENDMENTS PROVIDE FOR THE SECRETARY OF LABOR TO DISTRIBUTE NATIONAL FUNDS AMONG THE STATES BASED ON TWO-THIRDS FOR NUMBER OF INDIVIDUALS IN THE CIVILIAN LABOR FORCE AND ONE-THIRD ON THE NUMBER OF UNEMPLOYED INDIVIDUALS. THIS MEANT FUNDS WOULD BE ALLOCATED TO THE STATES WITHOUT REGARD TO STATES PLACEMENT PRODUCTIVITY. NO CONSIDERATION WAS GIVEN TO DISADVANTAGED OR DISLOCATED WORKERS NOR YOUTH NEEDING ASSISTANCE. THEY ALSO FAILED TO RECOGNIZE THE ADDITIONAL COST OF SERVING RURAL AND SPARSELY SETTLED AREAS. THE APPLICATION OF THIS FORMULA PLACES THE STATE OF MISSISSIPPI IN AN ADVERSE POSITION. THE STATE DROPPED FROM 1.458% OF NATIONAL WAGNER-PEYSER ALLOCATION TO .992%. DECREASES OF THIS MAGNITUDE CAN ONLY RESULT IN REDUCED SERVICES. THE INITIAL APPLICATION OF THE NEW ALLOCATION FORMULA CAUSED 18 STATES TO BE REDUCED OVER A PERIOD OF TIME. MISSISSIPPI IS FOURTH HIGHEST IN REDUCTION. (SEE ATTACHMENTS 1 AND 2 FOR A GRAPHIC DESCRIPTION OF REDUCED FUNDING.) UNDER THE CURRENT LAW, MISSISSIPPI EXPECTS A FURTHER REDUCTION OF ABOUT 10% FOR PROGRAM YEAR 1985, AND WILL CONTINUE TO LOSE EACH YEAR UNTIL STAFFING CORRESPONDS WITH THE AMENDED FORMULA.

THIS TREMENDOUS REDUCTION TO A STATE THAT WAS AMONG THE MOST PRODUCTIVE IN THE NATION FOR MANY YEARS, AND RANKS NUMBER 10 FOR FISCAL YEAR 1983, IS DIFFICULT TO COMPREHEND AND UNDERSTAND. THE MISSISSIPPI EMPLOYMENT SECURITY COMMISSION WILL NOT BE ABLE TO PROVIDE THE PLACEMENT SERVICES SO DESPERATELY

NEEDED FOR THE NOW 100,000 UNEMPLOYED APPLICANTS, PERSONS TRAINED THROUGH JTPA, AND TO THE EMPLOYERS THAT SUPPORT THE PROGRAM THROUGH PAYMENT OF UNEMPLOYMENT TAXES. THE DEDICATED, QUALIFIED, AND PRODUCTIVE STAFF MEMBERS CONTINUE TO DECLINE. OVER 25% OF OUR CURRENT STAFF ARE TEMPORARY EMPLOYEES. THIS CREATES A TREMENDOUS PROBLEM IN STAFF TRAINING DUE TO TURN-OVER.

LABOR MARKET INFORMATION (LMI) DESCRIBES THE SCOPE AND NATURE OF NATIONAL, STATE AND LOCAL LABOR MARKETS, AND HELPS EMPLOYERS FIND APPLICANTS AND APPLICANTS FIND JOBS. THE JTPA REQUIRES THE SECRETARY OF LABOR TO DEVELOP A "COMPREHENSIVE SYSTEM OF LMI ON A NATIONAL REGIONAL, STATE, LOCAL, OR OTHER APPROPRIATE BASIS." INADEQUATE FUNDING AND THE FRAGMENTED NATURE OF FUNDING FOR THIS PURPOSE IS A SERIOUS PROBLEM. DIRECT FUNDING OF THIS PROGRAM TO EMPLOYMENT SECURITY AGENCIES IS RECOMMENDED DUE TO PAST EXPERIENCE AND TRACK RECORD. I BELIEVE THIS TO BE THE MOST COST EFFECTIVE METHOD OF FUNDING THIS PROGRAM.

THE MISSISSIPPI EMPLOYMENT SECURITY COMMISSION HAS A LONG AND SUCCESSFUL INVOLVEMENT IN TRAINING PROGRAMS FOR THE DISADVANTAGED AND DISLOCATED WORKERS. AT PRESENT, I AM A MEMBER OF THE STATE JOB TRAINING COORDINATING COUNCIL, AND A SENIOR JOB SERVICE STAFF MEMBER SERVES ON EACH OF THE SERVICE DELIVERY AREA'S PRIVATE INDUSTRY COUNCIL. THE GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN REQUIRES THE WAGNER-PEYSER PLAN TO BE CONSISTENT WITH ESTABLISHED CRITERIA, AND THE SERVICE DELIVERY AREAS TO DEVELOP A COOPERATIVE AGREEMENT WITH THE AGENCY. THE AGREEMENT REQUIRES THE FOLLOWING: (1) ALL TRAINING OPENINGS ARE LISTED WITH THE EMPLOYMENT SERVICE AND WORKERS ARE REFERRED TO AVAILABLE TRAINING, (2) ALL TRAINEES ARE TO BE REFERRED TO THE EMPLOYMENT SERVICE BY THE SDA TO BE REGISTERED FOR EMPLOYMENT, (3) AGREEMENT ON JOINT DEVELOPMENT OF WORK INCENTIVE PROGRAM (WIN) TRAINING PLANS AND, (4) PROCEDURES TO PREVENT DUPLICATION OF EMPLOYER CONTACTS AND SURVEYS.

THIS AGENCY'S LINKAGE WITH JTPA IS STRONG AND VIABLE. WE ARE INVOLVED IN LABOR MARKET INFORMATION, PLANNING, AND RECOMMENDATIONS OF TRAINING, RECRUITMENT, SELECTION, ASSESSMENT, AND ENROLLMENT IN CLASSROOM TRAINING AND PLACEMENT, IN SUMMER YOUTH EMPLOYMENT AND TRAINING, IN JOB SEARCH SKILLS TRAINING, IN START-UP TRAINING, AND SPECIAL PROJECTS TO SERVE THE DISADVANTAGED, DISLOCATED, YOUTH, AND OLDER WORKERS. WE ARE THE PRIMARY DELIVERER OF SERVICES FOR TITLE III DISLOCATED WORKERS. THROUGH REGULAR WAGNER-PEYSER SERVICES, FROM OCTOBER, 1983, THROUGH MAY, 1984, WE PLACED 7,172 DISADVANTAGED, 4,216 DISLOCATED, AND 12,587 YOUTH IN JOBS. THIS INFORMATION IS FURNISHED TO APPROPRIATE JTPA AGENCIES FOR PROGRAM NEEDS AND PLANNING. WE ARE ASKED TO REVIEW STATE PROGRAM PROPOSALS FOR NEED, FEASIBILITY, AND POSSIBLE DUPLICATION OF SERVICES.

IN ORDER TO CONTINUE THE COOPERATION, COORDINATION, AND SERVICE ROLE IN JTPA, WE MUST BE IN A POSITION TO RENDER APPROPRIATE SERVICE STATEWIDE. FURTHER E.S. FUNDING REDUCTIONS WILL CURTAIL THE ABILITY TO MAINTAIN A STATEWIDE NETWORK OF OFFICES AND PROPER JTPA LINKAGES.

HAVING LOST OVER 30% OF ITS FUNDING IN THE PAST FOUR YEARS, AND EXPECTING TO LOSE MORE FOR PROGRAM YEAR 1985, THE MISSISSIPPI EMPLOYMENT SECURITY COMMISSION IS FACED WITH THE FOLLOWING:

1. ELIMINATION OF COUNSELING AND TESTING SERVICES AS REQUIRED BY SECTION 7(a)(1), OF THE ACT.
2. REDUCTION OF RECRUITMENT AND SPECIAL SERVICES FOR EMPLOYERS, AS REQUIRED BY SECTION 7(a)(2) OF THE ACT, IN OVER HALF OF THE STATE DUE TO CLOSING OF OFFICES,

3. DIFFICULTY IN DEVELOPING LINKAGES ON A STATEWIDE BASIS WITH JTPA AND OTHER FEDERAL AND STATE PROGRAMS AS REQUIRED BY SECTION 7(a)3(B) OF THE ACT, AND OF BEING A SERVICES DELIVERY AGENT FOR JTPA,

4. GREATLY REDUCED SERVICES FOR WORKERS WHO HAVE RECEIVED NOTICE OF LAYOFF AND COORDINATION WITH JTPA FOR SUCH SERVICES, IN OVER HALF OF THE STATE, AS PROVIDED BY SECTION 7(a)3(c) OF THE ACT,

5. GREATLY REDUCED CAPABILITY OF DEVELOPING AND PROVIDNG LABOR MARKET AND OCCUPATION INFORMATION, AS PROVIDED BY SECTION 7(a)3(D) OF THE ACT,

6. INABILITY TO EXPAND AND DEVELOP A MANAGEMENT INFORMATION SYSTEM AND CONTINUE AUTOMATION AS PROVIDED BY SECTION 7(a)3(E) OF THE ACT,

7. ELIMINATION OF THE WORK TEST AND THE JOB FINDING AND PLACEMENT SERVICES FOR UNEMPLOYMENT INSURANCE CLAIMANTS IN ABOUT ONE-HALF OF THE STATE DUE TO OFFICE CLOSINGS, AS PROVIDED BY SECTION 7(a)3(F) OF THE ACT.

8. DUE TO OFFICES BEING CLOSED OR TO A REDUCTION IN STAFF, THE ABILITY TO PROVIDE SERVICES TO SPECIAL APPLICANT GROUPS WOULD BE ELIMINATED IN SOME COUNTIES AND SEVERELY RESTRICTED IN OTHERS. THE ABILITY TO PROVIDE VETERAN SERVICES AS MANDATED BY FEDERAL REGULATIONS WOULD BE CURTAILED OR VIRTUALLY ELIMINATED WHERE A SERVICE POINT NO LONGER EXISTS. WITH OFFICES BEING CLOSED AND STAFF REDUCED, SERVICES TO DISADVANTAGED AND HANDICAPPED APPLICANTS WOULD BE ELIMINATED IN ABOUT ONE-HALF OF THE COUNTIES IN THE STATE, AND RESTRICTED IN MANY OTHER COUNTIES. IN ORDER TO RECEIVE SERVICES, THESE APPLICANTS WOULD BE REQUIRED TO TRAVEL GREAT DISTANCES WHICH MOST ARE NOT FINANCIALLY ABLE TO DO.

EVEN WITH LARGE FUNDING REDUCTIONS, THERE HAS BEEN NO REDUCTION IN RESPONSIBILITY BY THE WAGNER-PEYSER ACT AMENDMENTS. THE JTPA ACT AND AMENDMENTS TO THE WAGNER-PEYSER ACT REQUIRES THE EMPLOYMENT SERVICE TO JOINTLY PLAN COMPONENT PARTS WITH THE PRIVATE INDUSTRY COUNCILS AND THE CHIEF ELECTED OFFICIAL(S), AND TO PREPARE A STATE PLAN FOR APPROVAL OF THE STATE JOB TRAINING COORDINATION COUNCIL. WHILE THIS IS ACCEPTED AS A GOOD FEATURE OF JTPA, IT REQUIRES EXTRA EFFORT AND STAFF TIME. FUNDING IN FEDERAL COST-REIMBURSABLE AGREEMENTS IS INADEQUATE, AND THIS FURTHER ERODES THE REDUCED WAGNER-PEYSER FUNDS.

THE JTPA, INCLUDING THE AMENDMENTS TO THE WAGNER-PEYSER ACT, HAS VIRTUALLY PLACED THE EMPLOYMENT AND TRAINING ADMINISTRATION IN AN OVERSIGHT ROLE ONLY WITH LITTLE SUPPORT AND DIRECTION. THIS LEAVES THE STATES IN A VULNERABLE POSITION FOR AUDIT EXCEPTIONS AND MISDIRECTION OF PROGRAMS AND PROCEDURES. THIS ALSO CAUSES STATES TO BE TOO CONSERVATIVE IN THEIR PROGRAM DESIGN.

I AM ALSO CONCERNED THAT THE LACK OF A VIABLE FEDERAL-STATE PARTNERSHIP BETWEEN ETA AND THE EMPLOYMENT SECURITY AGENCIES WILL RESULT IN FIFTY (50) STATE OPERATIONS THAT WILL NOT FUNCTION AS A NATIONAL SYSTEM. I THINK THIS WOULD BE TOTALLY INCONSISTENT WITH THE ADMINISTRATION'S DEFENSE POSTURE. THE ABILITY TO MOBILIZE THE WORK FORCE OF THIS COUNTRY ON A NATIONAL SCALE WILL NOT EXIST WHEN NEEDED UNLESS THE SYSTEM IS IN PLACE NOW. EVEN IF THE STATE JOB SERVICE OFFICES ARE TAKEN OVER BY THE FEDERAL GOVERNMENT, AS WAS DONE DURING WORLD WAR II, WHEN AN EMERGENCY IS DECLARED THEY WILL NOT FUNCTION AS A NATIONAL ORGANIZATION UNLESS THE OPERATING PROCEDURES HAVE BEEN ESTABLISHED AND PERFECTED PRIOR TO THE EMERGENCY. THIS ROLE COULD VERY EFFECTIVELY BE PLACED BY ETA NATIONAL AND REGIONAL OFFICES. THIS TYPE OF NATIONAL JOB

SERVICE OPERATION WOULD ALSO GREATLY ENHANCE SERVICE TO DISLOCATED WORKERS AS WELL AS OTHERS SEEKING EMPLOYMENT IN OTHER STATES. I AM FULLY AWARE OF ETA INVOLVEMENT IN THE NATIONAL JOB BANK AND ALTHOUGH THIS WILL HELP IT IS NOT THE TOTAL ANSWER. I FIND IT MOST DIFFICULT TO BELIEVE THAT WE WANT THIS COUNTRY TO BE THE ONLY COUNTRY IN THE FREE WORLD WITHOUT A NATIONAL EMPLOYMENT SERVICE CAPABILITY.

IN VIEW OF THE ABOVE, THE FOLLOWING IS RECOMMENDED AND IS VITAL TO THE CONTINUATION OF A VIABLE AND PRODUCTIVE EMPLOYMENT AND TRAINING PROGRAM IN THIS COUNTRY:

1. CONTINUATION OF PRESENT LEVEL OF FUNDING FOR JTPA, EXCEPT FOR AN INCREASE IN TITLE III DISLOCATED WORKERS, WITH ABOLISHMENT IN THE MATCHING REQUIREMENTS. THE TIME CONSUMED IN DOCUMENTATION IS A BURDEN, AND IT SERVES NO USEFUL PURPOSE.

2. INCREASE IMMEDIATELY TO A 30,000 E.S. STAFF LEVEL FOR WAGNER-PEYSER FUNDING, WITH ADDITIONAL INCREASES AS THE LABOR FORCE AND/OR UNEMPLOYMENT INCREASES. YOU WILL RECALL THE NATIONAL COMMISSION ON UNEMPLOYMENT COMPENSATION RECOMMENDED A 50,000 EMPLOYMENT SERVICE ALLOCATION.

3. AMEND SECTION 6(B) OF THE WAGNER-PEYSER ACT TO FUND STATES BASED ON 1/3 FOR CIVILIAN LABOR FORCE, 1/3 FOR UNEMPLOYMENT, AND 1/3 FOR JOB PLACEMENT PRODUCTIVITY.

4. PROVISIONS FOR ADEQUATE FUNDING LMI REQUIREMENTS, AND FOR DIRECTION AT THE NATIONAL LEVEL WORKING WITH THE ETA REGIONAL OFFICES, AND THEY, IN TURN, WORKING WITH THE STATES.

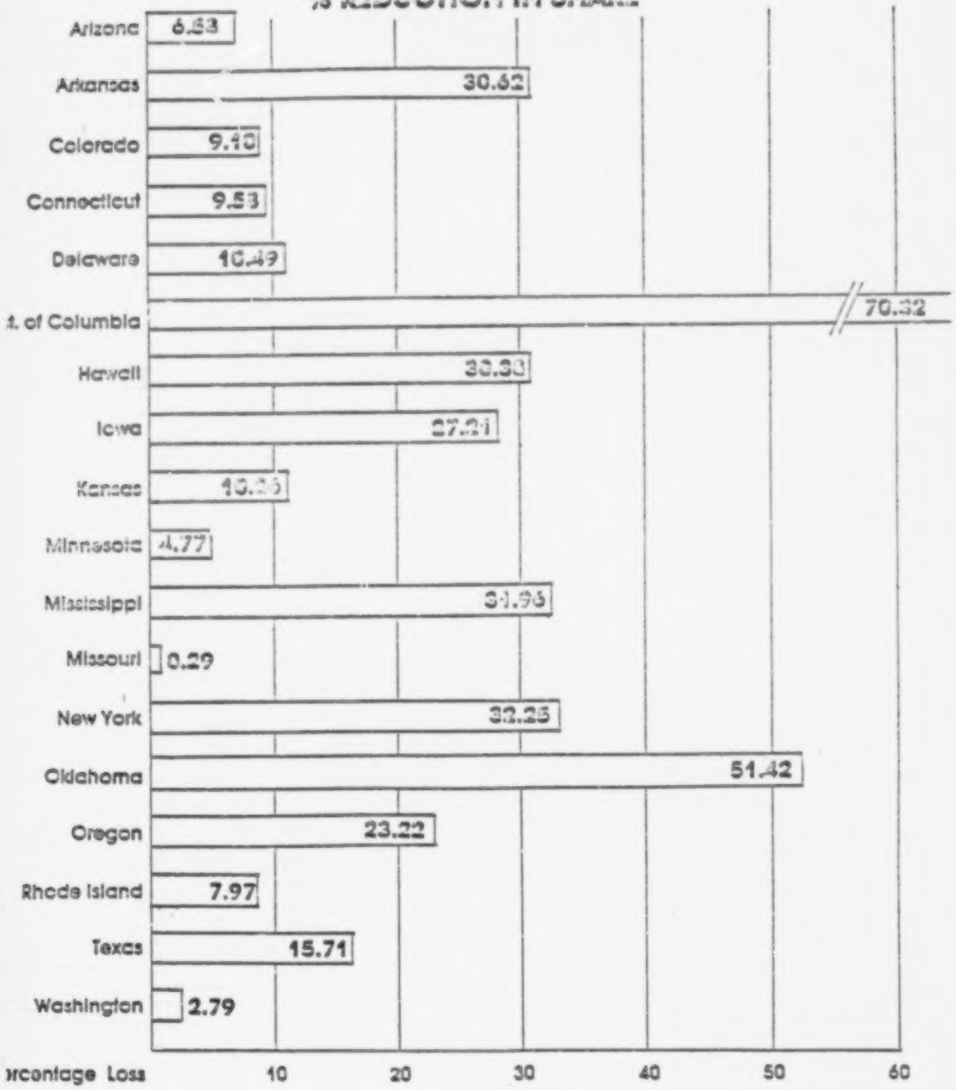
5. ETA TO BE REQUIRED TO MAINTAIN FEDERAL-STATE PARTNERSHIP IN EMPLOYMENT SERVICE OPERATIONS TO INSURE A NATIONAL JOB SERVICE THAT WOULD BE RESPONSIVE TO ALL JOB SEEKERS IN PEACETIME AND BE PREPARED TO MOBILIZE MANPOWER TO STAFF THE INDUSTRIAL COMPLEXT AND CIVILIAN MILITARY REQUIREMENTS IN TIME OF NATIONAL EMERGENCIES.

ATTACHMENT 1 - WAGNER-PEYSER "LOSER" STATES

ATTACHMENT 2 - WAGNER-PEYSER STAFF POSITION FUNDING - MISSISSIPPI

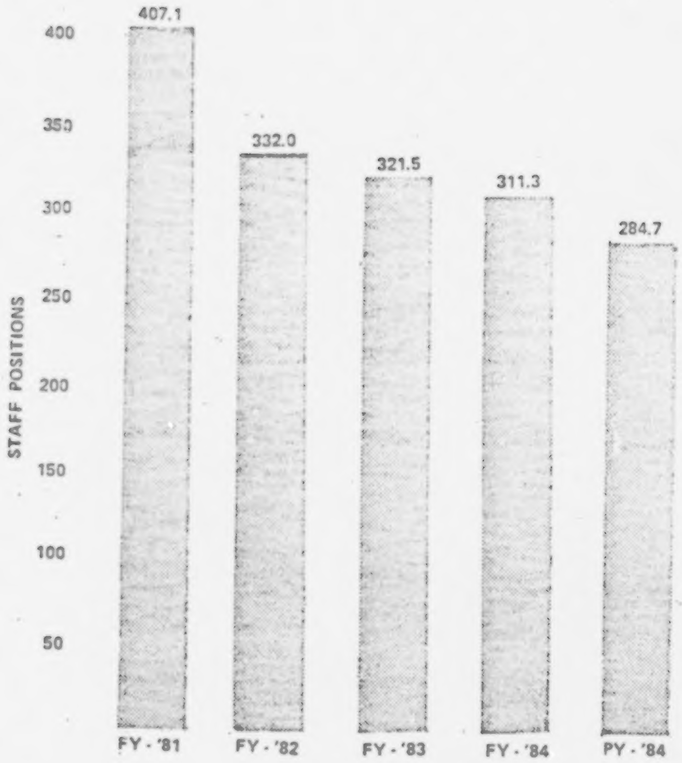
ATTACHMENT 1

WAGNER PEYSER
"LOSER" STATES
% REDUCTION IN SHARE



WAGNER - PEYSER

MISSISSIPPI
Base and Funded Staff
Positions for E.S. Division use



Senator **Cochran**. Thank you very much Mr. Robertson, and I appreciate each witness as a member of this panel giving us an overview of the act and how you see implementation problems, as well as benefits, in the State of Mississippi.

As we hear testimony from the other panels we will get more into the specifics of the administration of the act but I think the testimony we heard sets the stage for a very good transcript of this hearing and a better understanding of the act, what it seeks to do, and the involvement that is required by State and local government in making it work. I think central to all of the testimony is the realization that this is a new program and there are startup problems with it and that there can be improvements in the regulations under which the program is being operated.

I appreciate very much the frankness and candor of your suggestions and I intend to transmit those suggestions that everybody agrees on to the Department of Labor with the recommendation that changes in those regulations be considered, particularly in the documentation of in-kind contributions. As I understand it, that is going to be a time-consuming and laborious effort and there is probably going to be disagreement with the Washington administrators about the value of in-kind contributions.

You are probably going to insist that they are very valuable, whatever the contribution is. And they will argue that they are less valuable than you think. I am assuming that that is a problem.

Mr. Hackett, I think, suggests that we just do away with in-kind contributions as a requirement or the matching requirement could be done away with was Mr. Robertson's suggestion.

Mr. **Robertson**. Yes, sir.

Senator **Cochran**. Is that a unanimous suggestion? Would that be in keeping with the thinking of every member of the panel?

Mrs. Hogan.

Mrs. **Hogan**. At this time it would be, I think. I strongly encourage that.

Senator **Cochran**. But I do not think by abolishing that as a requirement we would do away with the participation of State and local government. I believe the same in-kind services would probably be given, would they not?

Mrs. **Rhodes**. That is the point, Senator Cochran, and why go through the paperwork exercise and have to be audited and so forth. Why do that when we know that the service is being provided anyway?

Senator **Cochran**. Maybe a part of this is a job training program for auditors.

Mr. **Robertson**. No question about that, Senator.

Senator **Cochran**. We are not going to cause any increase in the unemployment rate if we do not have a lot of auditors, will we?

Is there another suggestion? I know the allocation of funding is based on total labor force and that other factors under the act may not serve the interest of the small rural States with high rates of unemployment. Do you feel that this is an area where there can be improvement? If so, I am assuming that would have to be done by law. That would involve a legislative change and not a regulatory change.

Mrs. **Rhodes**. Well, we have two allocation formulas that you are talking about. Mr. Robertson was discussing the employment service of Wagner-Peyser which in the past was allocated based on productivity. It is now based on unemployment, is that correct?

Mr. **Robertson**. It is based, two-thirds and one-third respectively and what we are suggesting is that we consider to use the size of the labor force, certainly that is important; determine the number of unemployed, which is also the group you are going to serve, predominantly, but put a one-third or at least one-third, I do not really have a great feel as to how we break the other two-thirds between labor force and unemployed, but have at least one-third of that based on productivity. Frankly, Senator, this State has had a strong employment service, we were No. 1 in this Nation for years, we were No. 10 last year. And this really forces the employment services to do their homework and perform and throughout the other part of JTPA as I said in my testimony, there are incentives for productivity. Well, the way Wagner-Peyser is funded now you do not have a lot, if any, incentive for productivity. It is just the numbers that generate the dollars and I, frankly, as administrator of that part of the program, I would like to see us required to perform a viable employment service. And to me I think it is consistent with the rest of the Act.

Senator **Cochran**. That sounds like a good suggestion to me.

The other part of the funding formula, is there a suggestion about that?

Mrs. **Rhodes**. I think not. The allocation formula being based on the rate of unemployment above 6.5 percent, above 4.5 percent, and the number of economically disadvantaged, will certainly target funds where they are needed.

The one thing you cannot measure in a rural State is the transportation problems. When you are in an urban area you have all your unemployed together and can reach them and can serve them; you do not need all these additional services. But just as Carolyne touched on the welfare department, there are services needed in the rural areas that you just cannot hardly fund using the current limitations on support services, and that is our problem. If the limitation on the supportive services portion of funds could be relieved to some extent, it could help in the rural States.

Senator **Cochran**. There is a provision, I am advised, in the law for a waiver. A request for a waiver can be made to cover the cost of transportation service——

Mrs. **Rhodes**. But they cut into the administrative limitation, if I am correct. Thirty percent cannot, it cannot exceed 30 percent for a combination of administrative participant support. If you exceed 15 percent for physical support you eat into your 15-percent administrative and quite honestly I do not know an SDA that can afford to lessen their administrative costs when it has been reduced by 25 percent anyway.

Senator **Cochran**. So there probably are not going to be any requests for waivers?

Mrs. **Rhodes**. Most likely not. Maybe in some cases.

Senator **Cochran**. I appreciate very much your getting the hearing off to an excellent start. Thank you for being here and for contributing to the hearing as you have. Thank you very much.

We will now have our second panel come forward. This is the panel on local planning and administration. It includes Clarke Holmes, executive director of the central Mississippi planning and development district; Billy McDonald, a member of the board of supervisors from Harrison County and Tommie Stingley, Jr., executive director of the capital area training and employment consortium.

Welcome to the hearing I appreciate very much your being here and participating with us in a review of the Job Training Partnership Act and our effort to implement it in the State of Mississippi.

I am going to ask each of you, if you would try to make summary comments from your written statements and limit the formal part of your presentation to about 5 minutes each if you could and then that will give us a chance for further discussion. We will have each of you make your presentation and have questions and answers. I think I will ask Clarke Holmes to begin.

STATEMENT OF CLARKE HOLMES, EXECUTIVE DIRECTOR, CENTRAL MISSISSIPPI PLANNING AND DEVELOPMENT DISTRICT, JACKSON, MS; WILLIAM J. "BILLY" McDONALD, SUPERVISOR, HARRISON COUNTY, MS; AND TOMMIE STINGLEY, JR., EXECUTIVE DIRECTOR OF THE CAPITAL AREA TRAINING AND EMPLOYMENT CONSORTIUM

Mr. HOLMES. Thank you, Senator Cochran. It is an extreme pleasure to be with you today.

As you pointed out, I am Clarke Holmes and I am executive director of the central Mississippi planning and development district here in Jackson. We are one of 10 sub-State regional planning organizations throughout our State. We are located in Jackson and we have the seven-county area directly adjacent to Hinds. We are a voluntary association of local governments who tries to seek mutual solutions to common problems facing more than one political subdivision. Our organization primarily exists to aid local governments to act in a collective manner.

Over the years we have worked with quite a few State and Federal agencies and programs. For example, we are designated by the Department of Commerce as an economic development district. We are designated by the Small Business Administration as a certified development company. We are an area agency on aging, we do planning and resource management for the Department of Transportation and other numerous relationships with such programs as the community development block grant.

With the establishment of the Job Training Partnership Act, our district for the first time was provided a direct involvement with the delivery of employment and training programs within our State.

Under the old Comprehensive Employment and Training Act which was abolished by Congress and replaced by the Job Training Partnership Act, organizations such as ours did not have an opportunity to participate in this program. More important, local governments and private businessmen throughout our State for the most part, were excluded from determining the training needs of our citizens.

Only within the two metropolitan areas of our State were local governments assured that they would receive direct involvement in the allocation of resources for job training. Under this new program participation from local governments was practically mandated and there were many options available to the local governments of central Mississippi.

I feel that we have been able to devise a system which provides for local input and involvement while keeping administrative costs to a minimum. Except for the city of Jackson and a couple of other local governments which were previously involved as prime sponsors under the old CETA program, the remaining cities and counties within our district chose to waive their right to create their own organization and administrative structure and receive assurances from the State that they would be provided adequate input into the planning process through the use of our organization and the establishment of a regional advisory committee whose recommendations would carry a great deal of weight. We have a contractual relationship with the Mississippi service delivery area to provide a liaison between local governments, local businessmen to help assure that there is a true partnership that exists between the various levels of government as well as the private and public sectors. Also, we are to help coordinate this program with other State, Federal, and local resources and assure that there is no duplication and that the highest level of coordination and leverage of programs exist within with the Jackson area to ensure that similar functions are performed for the Jackson area and to ensure programs performed within the Jackson area are compatible with that of the State.

I would like to commend our State and the Governor's office for the cooperative and most flexible manner in which this program has been administered and I would like to praise the language of the legislation which allows local governments the option of creating their own structure if they do not feel that their training needs are being net through other systems.

Thank you very much for your time and attention and please feel free to call upon us if you need additional information.

Senator COCHRAN. Thank you, Clarke Holmes for your very fine statement. We appreciate your help in the hearing.

[The prepared statement of Mr. Holmes follows:]

TESTIMONY BY F. CLARKE HOLMES
FOR THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
ON-THE-JOB TRAINING PARTNERSHIP ACT
JACKSON, MISSISSIPPI
JUNE 12, 1984

SENATOR QUAYLE AND SENATOR COCHRAN, IT IS AN EXTREME HONOR AND PLEASURE TO APPEAR BEFORE YOU TODAY. MY NAME IS CLARKE HOLMES AND I AM THE EXECUTIVE DIRECTOR OF CENTRAL MISSISSIPPI PLANNING AND DEVELOPMENT DISTRICT WHICH IS ONE OF TEN SUB-STATE REGIONAL ORGANIZATIONS IN MISSISSIPPI. WE ARE LOCATED IN JACKSON AND HAVE THE SEVEN COUNTY AREA DIRECTLY ADJACENT TO HINDS COUNTY. WE ARE A VOLUNTARY ASSOCIATION OF LOCAL GOVERNMENTS THAT SEEK TO FIND COMMON SOLUTIONS TO MUTUAL PROBLEMS AFFECTING MORE THAN ONE POLITICAL SUBDIVISION. OUR ORGANIZATION PRIMARILY EXISTS TO AID LOCAL GOVERNMENTS TO ACT IN A COLLECTIVE MANNER.

WE WORK WITH QUITE A FEW FEDERAL AND STATE AGENCIES AND PROGRAMS; FOR EXAMPLE, WE ARE DESIGNATED BY THE DEPARTMENT OF COMMERCE AS AN ECONOMIC DEVELOPMENT DISTRICT. WE ARE A SMALL BUSINESS ADMINISTRATION CERTIFIED DEVELOPMENT COMPANY. WE ARE AN AREA AGENCY ON AGING AND WE ARE DESIGNATED TO DO THE PLANNING FOR THE DEPARTMENT OF TRANSPORTATION. WITH THE ESTABLISHMENT OF THE JOB TRAINING PARTNERSHIP ACT, THE DISTRICT'S INVOLVEMENT WITH THE DELIVERY OF EMPLOYMENT AND TRAINING PROGRAMS WAS GREATLY ENHANCED.

UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT WHICH WAS ABOLISHED BY CONGRESS AND REPLACED BY THE JOB TRAINING PARTNERSHIP ACT, ORGANIZATIONS SUCH AS OURS DID NOT HAVE AN OPPORTUNITY TO PARTICIPATE IN THAT PROGRAM. MORE IMPORTANT, LOCAL GOVERNMENTS AND PRIVATE BUSINESSMEN THROUGHOUT OUR STATE, FOR THE MOST PART, WERE ALSO EXCLUDED FROM DETERMINING THE TRAINING NEEDS OF OUR CITIZENS. ONLY THE TWO MAJOR METROPOLITAN AREAS OF OUR STATE WERE ASSURED THAT THEIR LOCAL GOVERNMENTS COULD RECEIVE DIRECT INVOLVEMENT. UNDER THIS NEW

PROGRAM PARTICIPATION FROM LOCAL GOVERNMENTS WAS PRACTICALLY MANDATED AND THERE WERE MANY OPTIONS AVAILABLE TO THE GOVERNMENTS OF CENTRAL MISSISSIPPI.

I FEEL THAT WE HAVE BEEN ABLE TO DEVISE A SYSTEM WHICH PROVIDES FOR LOCAL INPUT AND INVOLVEMENT WHILE KEEPING ADMINISTRATIVE COSTS TO A MINIMUM. EXCEPT FOR THE CITY OF JACKSON AND A COUPLE OF COMMUNITIES WHICH WERE PREVIOUSLY INVOLVED AS A PRIME SPONSOR FROM THE OTHER PROGRAM, THE REMAINING CITIES AND COUNTIES WITHIN OUR DISTRICT CHOSE TO WAIVE THEIR RIGHT TO CREATE THEIR OWN ORGANIZATION AND AGENCY WITH ASSURANCES THAT THE STATE WOULD PROVIDE THEM ADEQUATE INPUT INTO THE PROCESS THROUGH THE USE OF OUR ORGANIZATION AND A REGIONAL ADVISORY COMMITTEE WHICH WE HAVE ESTABLISHED. WE HAVE A CONTRACTUAL RELATIONSHIP WITH THE MISSISSIPPI SERVICE DELIVERY AREA TO PROVIDE A LIAISON BETWEEN LOCAL GOVERNMENTS AND LOCAL BUSINESSMEN TO HELP ASSURE THAT THERE IS A TRUE PARTNERSHIP BETWEEN THE VARIOUS LEVELS OF GOVERNMENT AS WELL AS THE PUBLIC AND PRIVATE SECTORS AND ALSO TO HELP COORDINATE THIS PROGRAM WITH OTHER FEDERAL, STATE AND LOCAL PROJECTS AND PROGRAMS TO AVOID DUPLICATION AND HELP TO ACHIEVE THE HIGHEST LEVEL OF COORDINATION POSSIBLE. WE ALSO HAVE A SMALL CONTRACT TO HELP PROVIDE A SIMILAR FUNCTION WITH THE JACKSON AREA AND ENSURE THAT THE STATE AND LOCAL PLANS AND TRAINING NEEDS ARE COMPATIBLE. I WOULD LIKE TO COMMEND OUR STATE AND OUR GOVERNOR'S OFFICE FOR THE COOPERATIVE MANNER IN WHICH THIS PROGRAM HAS BEEN ADMINISTERED. I WOULD ALSO LIKE TO PRAISE THE LANGUAGE OF THE LEGISLATION WHICH ALLOWS LOCAL GOVERNMENTS THE OPTION OF ADMINISTERING THIS PROGRAM DIRECTLY IF THEY DO NOT FEEL THAT THEIR TRAINING NEEDS ARE BEING MET THROUGH OTHER SYSTEMS.

THANK YOU VERY MUCH FOR YOUR TIME AND ATTENTION AND PLEASE FEEL FREE TO CALL UPON US IF WE CAN PROVIDE YOU WITH ADDITIONAL INFORMATION REGARDING THIS OR ANY OTHER PROGRAM.

Senator **Cochran**. Billy McDonald, member of the board of supervisors of Harrison County.

Mr. **McDonald**. Thank you for your invitation to appear before this committee.

As stated, my name is William J. McDonald. I am a locally elected supervisor representing Harrison County, MS. In addition, I am the local elected official responsible for the gulf coast service delivery area under the Job Training Partnership Act.

I represent the other local elected officials located within our service delivery area consortium which encompasses Hancock County, Harrison County, the city of Biloxi, the city of Gulfport, the city of Long Beach, the city of Pass Christian, the city of Bay St. Louis, and the city of Waveland.

I will be speaking on behalf of all the officials within this area with regards to the Job Training Partnership Act and its implementation within our area.

From my understanding, it is the purpose of this hearing to examine whether the long-term goals of the Job Training Partnership Act can be achieved and also to provide any comments which we may have concerning the need for changes, and also the impact which this act has had in our particular jurisdiction.

First of all, I would like to point out how I, as a local elected official, view my role with respect to this most important legislation. It has been the opinion of the members of the board of supervisors of Harrison and Hancock Counties, and also the mayors of the aforementioned municipalities, that in order for employment and training programs to be successful, it is imperative that a true public-private partnership exist. For this reason, we have given the policy and decisionmaking authority for the administration and operation of our programs to the members of our local private industry council. This is not something new under the Job Training Partnership Act. We also made this decision when we were a prime sponsor under the Comprehensive Employment and Training Act.

In my opinion, the Job Training Partnership Act gives us the opportunity to truly form a new partnership and develop training programs for the private sector, develop innovative programs to assist the economically disadvantaged and unemployed persons in our area, and begin unique approaches to solving both human and economic problems. With the private sector providing the necessary leadership in concert with local elected officials, the chance for extraordinary success in this area is great.

In organizing under JTPA, the elected officials within our jurisdiction and the private industry council agreed that a private nonprofit corporation be designated as the grant recipient, administrative entity, and the staff for the private industry council and also the staff for the local elected officials.

Therefore, the Gulf Coast Business Services Corp., a private nonprofit corporation, was so designated. By organizing in this manner, we were able to attract the necessary business leaders to participate in the private industry council and also participate in the programs which we offered.

By having an organization which is not government oriented, we were immediately able to change the businessperson's perception of employment and training programs within our area. Also, the administrative entity moved to a new location away from the county courthouse which helped to alleviate the public awareness problem which Government sometimes seems to attract when dealing with the private sector. Through this unique approach, we are now dealing as a business manager and our entire program emphasizes performances and outcomes, not process and procedures.

Even though we agree with the writers of this legislation that the role of the Federal Government is significantly decreased, we also believe that the guidance must be given by the Federal Government in terms of the interpretation of the law and the regulations which were written by the Department of Labor. If the State is to make the decisions concerning the implementation of this legislation, they must also have the assurance from the Federal level that these interpretations will not be overturned by the Federal law.

In closing, we have a number of suggestions as to how we think the system could be made to function more efficiently in areas which are of extreme importance in order that we may administer the most effective program possible. Now, these suggestions are somewhat lengthy, Senator, but they are in the testimony.

Senator COCHRAN. Thank you very much Billy McDonald for an excellent statement.

[The prepared statement of Mr. McDonald follows:]

TESTIMONY
OF THE
GULF COAST SERVICE DELIVERY AREA
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
LABOR AND HUMAN RESOURCES COMMITTEE
U. S. SENATE

Mr. Chairman, thank you for your invitation to appear before this Committee to express the views of our Service Delivery Area concerning the implementation and performance thus far of the Job Training Partnership Act.

My name is William J. McDonald. I am a locally elected supervisor representing Harrison County, Mississippi. In addition, I am the local elected official responsible for the Gulf Coast Service Delivery Area under the Job Training Partnership Act.

I represent the other local elected officials located within our Service Delivery Area Consortium which encompasses Hancock County, Harrison County, the City of Biloxi, the City of Gulfport, the City of Long Beach, the City of Pass Christian, the City of Bay St. Louis, and the City of Waveland. I will be speaking on behalf of all the officials within this area with regards to the Job Training Partnership Act and its implementation within our area.

From my understanding, it is the purpose of this hearing to examine whether the long term goals of the Job Training Partnership Act can be achieved and also to provide any comments which we may have concerning the need for changes, if any, and also the impact which this Act has had in our particular jurisdiction.

First of all, I would like to point out how I, as a local elected official, view my role with respect to this most important legislation. It has been the opinion of the members of the Board of Supervisors of Harrison and Hancock Counties, and also the Mayors of the aforementioned municipalities, that in order for employment and training programs to be successful, it is imperative that a true public/private partnership exist. For this reason, we have given the policy and decision making authority for the administration and operation of our programs to the members of our local Private Industry Council. This is not something new under the Job Training Partnership Act. We also made this decision when we were a Prime Sponsor under the Comprehensive Employment and Training Act.

Omitted from [illegible] remarks

In order for you to get a better idea of how we view our system, I would like to give you a brief background of our involvement in such programs. In October of 1977, Harrison County applied for and became a Prime Sponsor under the Comprehensive Employment and Training Act of 1973. At that time, it was the decision of the Board of Supervisors of Harrison County to give a great deal of authority to the Advisory Council under CETA. This was emphasized by the fact that the Harrison County Board of Supervisors, by resolution, gave the policy making authority to our Employment and Training Council. During our experience under CETA, we found that this hands-off attitude of local elected officials proved to be very important in getting business leaders and others involved in the overall operation of our programs. Later, our Prime Sponsorship was expanded to include two additional counties besides Harrison. During this transition, all the local elected officials were of the same opinion which we

continued

Omitted from spoken remarks

had decided in October of 1977. That is, that our advisory council would be more than just an advisory body. We let the membership of this council develop policy and implement programs which they felt were in the best interest of our entire community.

Therefore, with the passage of the Job Training Partnership Act, the local elected officials within our jurisdiction had no problem whatever with the decision making role which business should play under this new system. We are of the opinion that through our Private Industry Council, the business and civic leadership of our community can best determine what the training needs of our community should be with emphasis placed on the needs of the private sector.

In my opinion, the Job Training Partnership Act gives us the opportunity to truly form a new partnership and develop training programs for the private sector, develop innovative programs to assist the economically disadvantaged and unemployed persons of our area, and begin unique approaches to solving both human and economic problems. With the private sector providing the necessary leadership in concert with local elected officials, the chance for extraordinary success in this area is great.

In organizing under JTPA, the elected officials within our jurisdiction and the Private Industry Council agreed that a private non-profit corporation be designated as the grant recipient, administrative entity, and the staff for the Private Industry Council and also the staff for the local elected officials. Therefore, the Gulf Coast Business Services Corporation, a private non-profit corporation, was so designated. By organizing in this manner, we were able to attract the necessary business leaders to participate on the Private Industry Council and also participate in the programs which we offered.

By having an organization which is not government oriented, we were immediately able to change the business person's perception of employment and training programs within our area. Also, the administrative entity moved to a new location away from the county courthouse which helped to alleviate the public awareness problem which government sometimes seems to attract when dealing with the private sector. Through this unique approach, we are now dealing in a business manner and our entire program emphasizes performance and outcomes, not process and procedures.

Omitted from spoken remark

In developing this new concept of running such programs, we asked that the College of Business and Industry, Mississippi State University, assist us in developing an organization which would be a mirror image of any other business organization. We also asked and received the assistance of the National Alliance of Business in developing our organizational structure. Therefore, now our grant recipient and the administrative entity is structured in a manner which is familiar to other business people throughout the country. We, as elected officials, feel that this was the intent and the spirit of the legislation and also feel that our performance to date will show that it has been successful.

This is not to say that there have been no problems in the transition from the old CETA system to the new system created by the Job Training Partnership Act. During this transition period, there was a difference of opinion among the

Continued

mitted from Potter
remarks

government entities within our state as to how JTPA should be organized and implemented in our state. We asked for clarification from the national level and received no response or interpretation from the officials at the U. S. Department of Labor in either the Regional or National offices. This created problems in the beginning which has also carried over into the actual operation of programs.

Even though we agree with the writers of this legislation that the role of the Federal Government be significantly decreased, we also believe that guidance must be given by the Federal Government in terms of the interpretation of the Law and the regulations which were written by the Department of Labor. If the state is to make the decisions concerning the implementation of this legislation, they must also have the assurance from the Federal level that their interpretation will not be overturned at the Federal level.
Law.

In responding to the questions which you are asking us to address in this hearing, I will first outline the questions as I understand them and then give you a response to each of them.

> Does the structure of JTPA promote the ultimate goal of improving training opportunities for the disadvantaged and chronically unemployed that will lead to productive jobs in the private sector?

> We basically agree with the intent and spirit of this legislation. However, in order for these programs to be successful, then there are certain principles which must be adhered to. Among these are: (1) maximum flexibility must remain at the local level to design

programs in order to meet local needs; (2) we agree that it is imperative that the private sector have a decision making role in this system and not one that is purely advisory; (3) the system must be performance driven. Success should be measured by results and not by procedures and paperwork; (4) the performance standards should be simplified and streamlined. We are of the opinion that the key to performance standards is the cost per entered employment. Business support of JTPA relies substantially upon the expectation of an easily understood and uniform performance based system as a bottom line for business to judge the programs' success.

To answer the question in another way, we are of the opinion that the existing structure can and will work if the intent of the legislation is followed properly and if there is clear guidance from the national level on interpretation of the regulations and the legislation itself. What we have seen is that some states are interpreting sections of the Law in one way while other states are interpreting the same sections in another and no clear interpretation is given by the national office. Therefore, the state is sometimes put in a very difficult position of interpreting questions without knowing if the Federal Government is to come in and overturn their interpretation. If this is allowed to be carried out, then what we will do is create chaos and therefore move away from our primary objective of trying to get our economically disadvantaged citizenery into productive private sector employment.

Do the administrative provisions of JTPA permit adequate flexibility and stability for operation or are they burdensome?

We are of the opinion that there is still too much government bureaucracy and paperwork involved in the system. The various requirements for the expenditure of funds on certain groups such as youth, welfare, veterans, alcholics, addicts (those persons with barriers to employment), makes it extremely difficult to administer a program efficiently and effectively. In addition, we have to date not received any definitive interpretation on such administrative provisions such as pooling of administrative cost, limitation of costs on the basis of allocation or on expenditures, the utilization of fixed priced contracts, and other administrative technicalities.

Does JPTA provide adequate safeguards to ensure a reasonable accountability of public funds and measurable returns on our training investment?

We feel that the legislation does provide adequate safeguards to ensure proper accountability of public funds. Again, however, without some uniform guidelines and interpretations from the national level, we could be put back in the same situation as we were under CETA. That being a proliferation of required forms, reports, instructions, manuals, and other paperwork requirements which necessitates putting the emphasis upon paperwork and procedural processes rather than results and performance.

How will the relationship between the performance standards and the cost limitations affect program participants and program administrative decisions?

As I have mentioned throughout this testimony, our administrative entity and our Private Industry Council is running this program as if it were a business entity. Therefore, the performance of our program is the number one priority for our Service Delivery Area. And while we firmly agree with the principle of emphasizing performance over process in management of the system, this is not without its shortcomings. For example, because of the cost limitations placed upon supportive services, etc., there may be some persons who cannot and will not be served under these programs. Also, it has been the decision of our Private Industry Council to entertain only performance based fixed priced contracts. Again, even though I agree with this policy, it does by necessity eliminate some agencies and/or institutions from bidding on training which we would like to see offered.

The administrative decisions which are made by the Private Industry Council and the administrative entity are made primarily on the basis of guaranteed performance. Therefore, training which may be needed which is of a long term nature is usually not considered because of cost factors and placement non-guarantees. This however, is not necessarily a negative aspect of JTPA. It is dependent upon the philosophy of your Private Industry Council and your local elected officials on what outcomes you would like to see from this system. And we are of the opinion that the business community is more interested in securing adequately motivated people who are willing to work and have the necessary basic skills in order to compete in their business and therefore increase productivity. The actual training which is given to prospective participants should be done on the basis of what each individual company would like to see done and training provided according to the needs of that particular business rather than train in some skills which may or may not meet the needs of that particular private sector concern.

Because of the emphasis we have placed on performance and new and innovative programs, I have attached to my testimony a copy of a resolution passed by the Mayor and City Council of Biloxi, Mississippi which is indicative of the type of new approaches to training which I feel should be taken under this new legislation. In essence, the City of Biloxi in concert with our administrative entity (the Gulf Coast Business Services Corporation) has formed an alliance which guarantees economically disadvantaged and unemployed residents of our area jobs with contractors of the City of Biloxi. This project will ensure that contractors of the City will hire JTPA eligible participants and therefore increase participation of the unemployed and economically disadvantaged residents of our area. I think this is an example of what the JTPA legislation envisioned - that is, local government support for the Private Industry Council and truly a public/private partnership.

We have also designed other unique programs which we feel will assist local private sector businesses. For example, we designed our on-the-job training programs which stresses the benefits to the private companies in financial terms. We relieve our OJT contractors of all the paperwork which our administrative entity handles rather than the business which we are trying to assist. We have learned that the private sector is already burdened with paperwork both from the government and from internal documents which they need in order to manage their businesses. Therefore, we have found that it is important to the business community that we relieve them of as much paperwork as we possibly can.

We have also developed other programs which provide incentives to businesses for hiring and training the economically disadvantaged and unemployed residents of our two counties. And in these programs we have stressed not only the hiring and training aspect, but also provide incentives to the businesses for retaining these people once they are hired. We are of the opinion that it is also important not only to have a person trained and possibly hired, but also very important that that person be retained on that private employer's payroll. We are trying to emphasize to the participants in our area the importance of a career, not just a job.

In closing, I will give you some suggestions as to how we think the system could be made to function more efficiently in areas which are of extreme importance to us in order that we may administer the most effective program possible.

1. Development of uniform definitions and interpretations from the national level. The lack of uniformity in certain areas has been a roadblock in the implementation of JTPA. Therefore, there must be guidance from the national level on the interpretation of both the legislation and the regulations.

2. Paperwork Reduction - Because of the lack of guidance from the national level, the state has been overly cautious and therefore, rather than starting with a new system, all paperwork from the previous employment and training legislation has been retained and additional paperwork added. There should be some uniform system of reporting requirements and all unnecessary paperwork be eliminated. The legislation encouraged a reduced amount of paperwork but the states, in order to protect themselves, have increased reporting requirements from the SDAs because of the fact that they do not know what will be required from the national level.

3. Audit information from the Office of Inspector General has not been distributed to the states or SDAs. Audit guidelines from the national level should be given to the states and SDAs as soon as possible. It is impossible for a state to make interpretations and decisions concerning the programs not knowing on what basis the states and SDAs will be audited against.

4. There should be no presumptive role given to any agency or institution for delivery of services under this legislation. We are of the opinion that deliverers of services should be selected on the basis of performance and not other factors.

5. The administrative cost limitation is prohibitively restrictive, especially for a small Service Delivery Area such as ourselves. And again, there has been no adequate guidance from the national level on the interpretation of what is administrative costs and what is training and/or supportive services costs. In addition, all of the same functional requirements mandated under CETA are still being mandated even though the administrative cost limitation is less and funding is much less.

6. We would suggest that the United States Congress provide forward funding on a two year basis as outlined in the law. In order to plan properly, it is necessary to know your allocations prior to the implementation of a program.

7. The 42% set aside for youth is unduly restrictive on programs. By requiring 42% of all expenditures to be made on youth and also 42% of all participants being youth, it could result in Private Industry Councils enrolling large numbers of youth and spending large amounts of taxpayers' money just in order to meet this requirement of the legislation. The performance standards should be simplified and streamlined. We believe that performance standards will become the discipline in this system, as well as a tool for monitoring progress in meeting our training needs. However, there should be a requirement for consistent methodology in all states and in all Service Delivery Areas. We are in total agreement that there should be performance standards to

be met, however, they should be uniform and consistent, and simplified. One standard which we feel is unrealistic is the average annual wage which has been set at the national level. This average annual wage figure is not consistent with entry level jobs and especially in light of trying to serve the economically disadvantaged and the structurally unemployed citizenry of our area.

8. The Congress should ensure that maximum flexibility remain at the local level and continue to encourage the principle of performance, not process in the design of program management.

Finally, again I would like to thank you for the opportunity to tesitfy before this Committee. We do believe that the JTPA system can and will be successful, especially if guidance is given from the federal level to ensure that the purposes of the Act as written by Congress are carried out through a uniform system. I, along with the other local elected officials within our jurisdiction, are totally committed to seeing that the taxpayers' money being spent under this legislation is utilized in the most effective and efficient manner possible.

I would be glad to answer any questions which the Committee may have at this time.

CITY OF BILOXI
AGENDA ITEM
FACT SHEET

Item No. ________

Council Meeting Date 11/22/83

ITEM TITLE: Resolution/Job Training and Employment Policy

INTRODUCED BY: Mayor G. Blessey, Councilmembers L. Quave, B. Stallworth, L. Langlinais, M. Carpenter, R. Mattina, W. McManus, M. Sherry

CONTACT PERSON/TELEPHONE: Mayor Gerald Blessey, Ext. 254; Mary McNeil, Ext. 286; Tina Gillich, Ext. 254

SUMMARY EXPLANATION:

The attached is a joint policy statement of the Mayor and Councilmembers to form a partnership with the Gulf Coast Business Services Corporation to implement a plan to provide for employment of Biloxi residents in all capital improvement contracts bid by the city. This policy is in accordance with the intent of the Job Training Partnership Act which became effective October 1, 1983. The City of Biloxi shall require that all contractors who submit bids for work on any capital improvement projects must agree to hire a specified number of local employees from a qualified

EXHIBITS FOR REVIEW

Resolution X Ordinance ______ Contract ______ Minutes ______

Plan Maps ______ Other (Specify) Summary Explan. Cont'd.

Submittal Authorization: Council President X Mayor X

STAFF RECOMMENDATION:

Staff recommends approval.

COUNCIL ACTION: Motion By ______________ Second By ______________

Vote:

Councilmember	Yes	No	Councilmember	Yes	No
McManus			Stallworth		
Carpenter			Mattina		
Quave			Sherry		
Langlinais					

ACTION TAKEN:

Summary Explanation (Cont'd.)

applicant pool as certified by the Gulf Coast Business and Services Corporation. The Gulf Coast Business and Services Corporation shall be responsible for the identification, certification, eligibility, and pre-employment training of Biloxi residents who may be hired to meet the requirements of the project.

The Partnership project combines the resources of the City of Biloxi, the Gulf Coast Business Services Corporation, and the private sector public works contractor to achieve the creation of jobs for Biloxi's unemployed, and the accomplishment of significant public improvement projects.

RESOLUTION

WHEREAS, the City of Biloxi, in cooperation with the Gulf Coast Business Services Corporation, has undertaken various initiatives in accordance with the Job Training Partnership Act and Jobs Bill to aid the jobless through job training and employment opportunities; and

WHEREAS, it is the intent and desire of the governing authorities of the City of Biloxi to implement a policy to fulfill the goals and objectives of the City to assure that jobs are accessible and available to qualified and eligible residents of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILOXI THAT:

The attached Job Training and Employment Policy be and hereby is declared the official policy of the City of Biloxi, Mississippi, to extend job opportunities through the formulation of a unique and innovative concept combining the resources of the public and private sector to assure the goals and objectives of job creation, training and education for the people of Biloxi are attained to improve the overall quality of life in our community.

CITY OF BILOXI

JOB TRAINING AND EMPLOYMENT POLICY

It is a fundamental policy of the City of Biloxi as a progressive city government to create unique and innovative programs to fulfill the goals and needs for sound community growth. It is the fundamental policy to promote, encourage and coordinate public/private sector initiatives in fulfilling job training and employment opportunities in our city and to assure that programs are readily available and accessible to the workers within the city. This policy is in accordance with the Job Training Partnership Act and related job creation efforts.

This obligation extends to all areas of employment, including, but not limited to, recruitment, job assignment, and job training services.

It is hereby declared the policy of the City that the City of Biloxi and the Gulf Coast Business Services Corporation, the local adminstrative entity of the new Gulf Coast Private Industry Council, shall form an alliance to aid the jobless in a spirit of cooperation and unity of common purpose. It is further declared that for all capital improvement projects, the City of Biloxi shall require that all bidding contractors shall agree to hire a specified number of new local employees who shall be certified for eligibility by the Gulf Coast Community and Business Service Corporation and shall obtain job training services to enhance current and future job prospects. The new construction units of the Public Works Department of the City shall also adhere to this policy.

This Employer Outreach Program is a new cooperative effort to increase the employment opportunities to local residents as well as complete capital improvement projects. This consolidated effort will utilize available resources for the job training and employment implementation of local residents who have been chronically unemployed. It is an outreach program to seek the qualified labor force for job placement and training.

This policy is consistent with the objectives and provisions of the Federal Job Training Partnership Act and Jobs Bill to form a spirit of cooperation to aid the jobless.

The Executive Branch shall be responsible for the development, implementation and maintenance of procedures in accordance with this job training and employment policy.

Gerald Blessey
MAYOR GERALD BLESSEY

W. C. McManus
COUNCILMEMBER W. C. MCMANUS

COUNCILMEMBER BILL STALLWORTH

Laz Quave
COUNCILMEMBER LAZ QUAVE

Lewis M. Langlinais
COUNCILMEMBER LEWIS LANGLINAIS

Mary Carpenter
COUNCILMEMBER MARY CARPENTER

COUNCILMEMBER ROY MATTINA

Senator **Cochran**. We continue with Tommie Stingley who is representing the Capital Area Training and Employment Consortium, executive director.

Mr. **Stingley**. Senator Cochran, thank you for the opportunity to appear before you. I want to commend you for the support you have afforded the Job Training Partnership Act since its very inception and I solicit your continued support so that we may improve and expand upon programs in our service delivery area.

I am representing the local elected officials located within our service delivery area which encompasses the municipalities in Rankin County and the cities of Clinton and Jackson in Hinds County.

I have comments which will cover some of the problems experienced thus far under the Job Training Partnership Act during the transition phase from the Comprehensive Employment and Training Act. I will attempt to address these problems through the following areas of concern:

1. Overall funding level.
2. Restrictions of allowances or stipends and support payments to participants.
3. The effect of the national performance standards on local flexibility.
4. The role of States in the overall administration.

However, before I address these areas of concern, I want to summarize several other problem areas. In my opinion, the system still is embodied with too much bureaucratic red tape which tends to prohibit flexibility needed to work effectively with our private sector partners. For example, the Partnership Act virtually eliminates upgrading as a viable program option.

The list of eligible program activities does include upgrading, but the eligibility criteria only allows economically disadvantaged individuals or individuals facing barriers to employment. Considering that individuals appropriate for upgrading activities are already currently employed, they literally fall through the eligibility net.

Also, in many cases very few employed individuals meet income criteria or guidelines in order to be considered economically disadvantaged. We believe that the lack of an upgrading option will hurt the system and our continued success in working effectively with business and industry. It has been shown that one of the main reasons people cannot find employment is because there are no jobs. If we are able to utilize upgrading to move currently employed individuals to better jobs and require a backfill standard, when we in effect could create job openings for those individuals we are serving under JTPA, those people we are training for entry level jobs in the private sector.

There is a need for either a waiver to the regulations to allow individuals facing barriers to advancement, rather than just barriers to employment, or a congressional amendment to the legislation should be enacted. Upgrading must be available to us as one of the training options in our attempts to find and create jobs for the economically disadvantaged. The system is designed to ensure that public funds are spent in a responsible manner which complies with the requirements of the Partnership Act.

However, the National Government must provide guidance in a uniform manner to include clear interpretation of the law and the regulations.

Funding has always been a problem even during the days of the Comprehensive Employment and Training Act, too few dollars for too many in need.

Another problem involved with the funding is that of administrative cost. Under the law, no more than 15 percent of funding can be allocated for administrative cost. This creates serious problems because the 15-percent limitation does not adequately address the personnel cost involved in implementing effective programs. In addition, SDA's have not received any clear answers to our concerns on certain administrative provisions such as limitation of administrative cost on the basis of allocation or on expenditures, the utilization of fixed-price contracts and other administrative requirements. Furthermore, the national office has failed to provide adequate guidance relative to interpretation of administrative cost versus training cost or supportive services costs. Moreover, we are required to perform functions which were required under CETA although the administrative cost limitation is less and funding is substantially less. I strongly feel that the cost limitation level should be increased to at least 20 percent.

Contrary to the days of the Comprehensive Employment and Training Act, the Job Training Partnership Act does not allow for allowances or stipends, but provides for participant support cost instead. This creates extreme hardships for participants or trainees, especially those with families, for they find it next to impossible to support their families while attending extended weeks of classroom training. I am not an advocate of a total stipend or allowance system. However, I do support regulation changes to clearly define usage of participant support funds as well as modifications to integrate the above components.

The performance standard on a national scope should be somewhat relaxed to give more flexibility on a lower level. For example, according to the law the Capital Area Training and Employment Consortium is mandated to expend 43 percent of its funding on youth. I feel this number is excessively high and should be adjusted accordingly relative to service delivery area successes and failures in placing these individuals into unsubsidized employment.

The role of the State is to interpret regulations and establish defined guidelines to be adhered to by its service delivery areas. However, it has been stated that some States are interpreting part of the law in one way while other States are interpreting the same parts in a different manner. No clear interpretation is given by the Department of Labor and as a result States are placed in the position of making interpretations without assurances the Federal Government will sustain or overrule their interpretations. This causes confusion and tends to divert attention from our primary objective which is to place our low-income youths and unskilled adults in gainful employment. Further, this creates paranoia on the part of the State which tends to promote the promulgation of unnecessary regulations by States. We do not need an overregulated Federal approach replaced with an overregulated State approach.

In concluding, I would like to thank you again, Senator Cochran for the valuable support you have afforded the Job Training Partnership Act. You have been a strong supporter of the Comprehensive Employment Training Act and you continue to support this new system with renewed enthusiasm.

Senator **Cochran**. Thank you very much, Mr. Stingley.

[The prepared statement of Mr. Stingley follows:]

TESIMONY
OF THE
CAPITAL AREA TRAINING AND EMPLOYMENT CONSORTIUM
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
LABOR AND HUMAN RESOURCES COMMITTEE
U. S. SENATE

TOMMIE L. STINGLEY, JR.
EXECUTIVE DIRECTOR, JACKSON, MS

JULY 12, 1984

MR. CHAIRMAN, SENATOR COCHRAN AND MEMBERS OF THE SUBCOMMITTEE, THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU. I WANT TO COMMEND SENATOR COCHRAN FOR THE SUPPORT HE HAS AFFORDED THE JOB TRAINING AND PARTNERSHIP ACT SINCE IT'S VERY INCEPTION; AND I SOLICIT HIS CONTINUOUS SUPPORT SO THAT WE MAY IMPROVE AND EXPAND UPON THE PROGRAMS IN OUR SERVICE DELIVERY AREA.

MY NAME IS TOMMIE L. STINGLEY, JR., EXECUTIVE DIRECTOR OF THE CAPITAL AREA TRAINING AND EMPLOYMENT CONSORTIUM. I AM REPRESENTING THE LOCAL ELECTED OFFICIALS LOCATED WITHIN OUR SERVICE DELIVERY AREA CONSORTIUM WHICH ENCOMPASSES THE MUNICIPALITIES OF BRANDON, FLORENCE, FLOWOOD, PEARL, PELAHATCHIE AND PUCKETT IN RANKIN COUNTY AND THE CITIES OF CLINTON AND JACKSON IN HINDS COUNTY. I WILL BE SPEAKING ON BEHALF OF ALL THE OFFICIALS WITHIN THIS AREA WITH REGARDS TO THE JOB TRAINING PARTNERSHIP ACT AND ITS IMPLICATIONS FOR OUR AREA.

IT IS MY UNDERSTANDING, THE PURPOSE OF THIS HEARING IS TO EXAMINE THE LONG TERM GOAL OF THE JOB TRAINING PARTNERSHIP ACT AND THE FEDERAL ROLE IN PROMOTING SUCCESSFUL PROGRAM OPERATIONS. WE SHOULD ALSO

COMMENT ON WHETHER THE REQUIREMENTS OF JOB TRAINING PARTNERSHIP ACT ADEQUATELY REFLECT ITS UNDERLYING PHILOSOPHY AND PROVIDE A WORKABLE SYSTEM FOR MOVEMENT TOWARD ACHIEVING THE GOAL OF THE ACT.

IN MY OPINION, THE JOB TRAINING PARTNERSHIP ACT GIVES US THE OPPORTUNITY TO TRULY FORM A NEW PARTNERSHIP AND DEVELOP TRAINING PROGRAMS FOR THE PRIVATE SECTOR, DEVELOP INNOVATIVE PROGRAMS TO ASSIST THE ECONOMICALLY DISADVANTAGED AND UNEMPLOYED PERSONS OF OUR AREAS, AND BEGIN UNIQUE APPROACHES TO SOLVING BOTH HUMAN AND ECONOMIC PROBLEMS, WITH THE PRIVATE SECTOR PROVIDING THE NECESSARY LEADERSHIP IN CONCERT WITH LOCAL ELECTED OFFICIALS. THE CHANCE OF EXTRAORDINARY SUCCESS IN THIS AREA IS GREAT; HOWEVER, I HAVE COMMENTS WHICH WILL COVER SOME OF THE PROBLEMS EXPERIENCED THUS FAR UNDER THE JOB TRAINING AND PARTNERSHIP ACT DURING THE TRANSITION PHASE FROM THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT. I WILL ATTEMPT TO ADDRESS THESE PROBLEMS THROUGH THE FOLLOWING AREAS OF CONCERN: 1) OVERALL FUNDING LEVEL,)2 RESTRICTIONS OF ALLOWANCES OR STIPENDS AND SUPPORT PAYMENTS TO

PARTICIPANTS,)3 THE EFFECT OF NATIONAL PERFORMANCE STANDARDS ON LOCAL FLEXIBILITY AND 4) THE ROLE OF STATES IN OVERALL ADMINISTRATION. HOWEVER, BEFORE I ADDRESS THESE AREAS OF CONCERN, I WANT TO SUMMARIZE SEVERAL OTHER PROBLEM AREAS. IN MY OPINION, THE SYSTEM STILL IS EMBODIED WITH TOO MUCH BUREAUCRATIC RED TAPE WHICH TENDS TO PROHIBIT FLEXIBILITY NEEDED TO WORK EFFECTIVELY WITH OUR PRIVATE SECTOR PARTNERS. FOR EXAMPLE, JTPA VIRTUALLY ELIMINATES UPGRADING AS A VIABLE PROGRAM OPTION. THE LIST OF ELIGIBLE PROGRAM ACTIVITIES DOES INCLUDE UPGRADING, BUT THE ELIGIBILITY CRITERIA ONLY ALLOWS ECONOMICALLY DISADVANTAGED INDIVIDUALS OR INDIVIDUALS FACING BARRIERS TO EMPLOYMENT. CONSIDERING THAT INDIVIDUALS APPROPRIATE FOR UPGRADING ACTIVITIES ARE ALREADY CURRENTLY EMPLOYED, THEY LITERALLY FALL THROUGH THE ELIGIBILITY "NET". ALSO, IN MANY CASES VERY FEW EMPLOYED INDIVIDUALS MEET INCOME CRITERIA OR GUIDELINES IN ORDER TO BE CONSIDERED "ECONOMICALLY DISADVANTAGED". WE BELIEVE THAT THE LACK OF AN UPGRADING OPTION WILL HURT THE SYSTEM AND OUR CONTINUED SUCCESS IN WORKING EFFECTIVELY WITH BUSINESS AND INDUSTRY. IT HAS BEEN SHOWN

THAT ONE OF THE MAIN REASONS PEOPLE CAN'T FIND EMPLOYMENT IS BECAUSE "THERE ARE NO JOBS". IF WE WERE ABLE TO UTILIZE UPGRADING TO MOVE CURRENTLY EMPLOYED INDIVIDUALS TO BETTER JOBS AND REQUIRED A "BACKFILL STANDARD", THEN WE, IN EFFECT, COULD "CREATE" JOB OPENINGS FOR THOSE INDIVIDUALS WE ARE SERVING UNDER JTPA - THOSE PEOPLE WE ARE TRAINING FOR ENTRY LEVEL JOBS IN THE PRIVATE SECTOR. THERE IS A NEED FOR EITHER A WAIVER TO THE REGULATIONS, TO ALLOW INDIVIDUALS FACING "BARRIERS TO ADVANCEMENT, RATHER THAN JUST BARRIERS TO EMPLOYMENT", OR A CONGRESSIONAL AMENDMENT TO THE LEGISLATION SHOULD BE ENACTED. UPGRADING MUST BE AVAILABLE TO US AS ONE OF THE TRAINING OPTIONS IN OUR ATTEMPTS TO FIND AND CREATE JOBS FOR THE ECONOMICALLY DISADVANTAGED!!! THE SYSTEM IS DESIGNED TO ENSURE THAT PUBLIC FUNDS ARE SPENT IN A RESPONSIBILE MANNER WHICH COMPLIES WITH THE REQUIREMENTS OF THE PARTNERSHIP ACT. HOWEVER, THE NATIONAL GOVERNMENT MUST PROVIDE GUIDANCE IN A UNIFORM MANNER TO INCLUDE CLEAR INTERPRETATIONS OF THE LAW AND THE REGULATIONS.

1) FUNDING HAS ALWAYS BEEN A PROBLEM EVEN DURING THE DAYS OF THE

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT, TOO FEW DOLLARS FOR TOO MANY IN NEED.

A CASE IN REFERENCE IS A SITUATION PRESENTLY EXPERIENCED BY THE CAPITAL AREA TRAINING AND EMPLOYMENT CONSORTIUM WHERE WE HAVE OVER 1,000 APPLICANTS CERTIFIED FOR THE SUMMER YOUTH PROGRAM; HOWEVER, WE ONLY HAVE FUNDS TO SERVE 650 YOUTHS FROM LOW-INCOME FAMILIES. IF FUNDS WERE MADE AVAILABLE, I AM SURE WE COULD SERVE SOME 2,000 DISADVANTAGED YOUTHS.

ANOTHER PROBLEM INVOLVED WITH FUNDING IS THAT OF ADMINISTRATIVE COST. UNDER THE LAW, NO MORE THAN 15% OF FUNDING CAN BE ALLOCATED FOR ADMINISTRATIVE COST. THIS CREATES SERIOUS PROBLEMS BECAUSE THE 15% LIMITATION DOES NOT ADEQUATELY ADDRESS THE PERSONNEL COST INVOLVED IN IMPLEMENTING EFFECTIVE PROGRAMS. IN ADDITION, SDA'S HAVE NOT RECEIVED ANY CLEAR ANSWERS TO OUR CONCERNS ON CERTAIN ADMINISTRATIVE PROVISIONS SUCH AS LIMITATION OF ADMINISTRATIVE COST ON THE BASIS OF ALLOCATION OR ON EXPENDITURES, THE UTILIZATION OF FIXED PRICED CONTRACTS, AND OTHER ADMINISTRATIVE REQUIREMENTS. THE COST LIMITATION, PARTICULARLY

FOR SMALL SERVICE DELIVERY AREAS TENDS TO PROHIBIT OR RESTRICT EFFECTIVE ADMINISTRATION. FURTHERMORE, THE NATIONAL OFFICE HAS FAILED TO PROVIDE ADEQUATE GUIDANCE RELATIVE TO INTEREPRETATION OF ADMINISTRATIVE COST VERSUS TRAINING COST AND/OR SUPPORTIVE SERVICES COSTS. MOREOVER, WE ARE REQUIRED TO PERFORM FUNCTIONS WHICH WERE REQUIRED UNDER CETA, ALTHOUGH THE ADMINISTRATIVE COST LIMITATION IS LESS AND FUNDING SUBSTANTIALLY LESS. I STRONGLY FEEL THAT THE COST LIMITATION LEVEL SHOULD BE INCREASED TO AT LEAST 20%.

2) CONTRARY TO THE DAYS OF THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT, THE JOB TRAINING PARTNERSHIP ACT DOES NOT ALLOW FOR ALLOWANCES OR STIPENDS, BUT PROVIDES FOR PARTICIPANT SUPPORT COST INSTEAD. THIS CREATES EXTREME HARDSHIPS FOR PARTICIPANTS OR TRAINEES ESPECIALLY THOSE WITH FAMILIES, FOR THEY FIND IT NEXT TO IMPOSSIBLE TO SUPPORT THEIR FAMILIES, WHILE ATTENDING EXTENDED WEEKS OF CLASSROOM TRAINING. I AM NOT AN ADVOCATE OF A TOTAL STIPEND OR ALLOWANCE SYSTEM. HOWEVER, I DO SUPPORT REGULATION CHANGES TO CLEARLY DEFINE USAGE OF PARTICIPANT SUPPORT FUNDS AS WELL AS MODIFICATIONS TO INTEGRATE THE ABOVE COMPONENTS.

3) THE PERFORMANCE STANDARD ON A NATIONAL SCOPE SHOULD BE SOMEWHAT RELAXED TO GIVE MORE FLEXIBILITY ON A LOCAL LEVEL. FOR EXAMPLE, ACCORDING TO THE LAW, THE CAPITAL AREA TRAINING AND EMPLOYMENT CONSORTIUM IS MANDATED TO EXPEND 43% OF ITS FUNDING ON YOUTHS. I FEEL THIS NUMBER IS EXCESSIVELY HIGH AND IT SHOULD BE ADJUSTED ACCORDINGLY RELATIVE TO SERVICE DELIVERY AREA SUCCESSES AND FAILURES IN PLACING THESE INDIVIDUALS INTO UNSUBSIDIZED EMPLOYMENT. I FIND THAT YOUTHS AGES 16-21 POSSESS LITTLE OR NO SKILLS WHEN THEY ENTER OUR PROGRAMS THEREBY CREATING SERIOUS PROBLEMS IN OUR BEING ABLE TO CONVINCE EMPLOYERS TO HIRE THESE INDIVIDUALS.

AT PRESENT, A YOUTH COMPETENCY SYSTEM IS BEING DEVELOPED TO ASSIST IN ENHANCING THE YOUTH POSITIVE TERMINATION RATE, BUT IT HAS ABSOLUTELY NO BEARING ON OUR BEING ABLE TO ATTRACT, SERVE AND PLACE YOUTH AT THE 43% REQUIRED BY LAW. THE 43% REQUIREMENT COULD RESULT IN THE PRIVATE INDUSTRY COUNCIL SPENDING PUBLIC FUNDS BASED PRIMARILY ON THE REQUIREMENTS OF THE LEGISLATION WITH NO DEFINITE PLAN OF JOB PLACEMENT. I PERSONALLY FEEL A 20% FIGURE WOULD CLOSELY REPRESENT THE TARGETED GROUP AND IT WOULD GREATLY REDUCE THE UNDUE PRESSURES OF

SERVING THIS TARGETED GROUP.

4) THE ROLE OF THE STATE IS TO INTERPRET REGULATIONS AND ESTABLISH DEFINED GUIDELINES TO BE ADHERED TO BY ITS SERVICE DELIVERY AREAS. HOWEVER, IT HAS BEEN STATED THAT SOME STATES ARE INTERPRETING PARTS OF THE LAW IN ONE WAY WHILE OTHER STATES ARE INTERPRETING THE SAME PARTS IN A DIFFERENT MANNER. NO CLEAR INTERPRETATION IS GIVEN BY THE DEPARTMENT OF LABOR AND AS A RESULT, STATES ARE PLACED IN THE POSITION OF MAKING INTERPRETATIONS WITHOUT ASSURANCES THE FEDERAL GOVERNMENT WILL SUSTAIN OR OVERRULE THEIR INTERPRETATIONS. THIS CAUSES CONFUSION AND TENDS TO DIVERT ATTENTION FROM OUR PRIMARY OBJECTIVE WHICH IS TO PLACE OUR LOW INCOME YOUTHS AND UNSKILLED ADULTS IN GAINFUL EMPLOYMENT. FURTHER, THIS CREATES PARANOIA ON THE PART OF THE STATE WHICH TENDS TO PROMOTE THE PROMULGATION OF UNNECESSARY REGULATIONS BY STATES. WE DO NOT NEED AN OVER-REGULATED FEDERAL APPROACH REPLACED WITH AN OVER-REGULATED STATE APPROACH. IN CONCLUDING, I WOULD LIKE TO AGAIN, THANK SENATOR COCHRAN FOR THE VALUABLE SUPPORT HE HAS AFFORDED THE JOB TRAINING PARTNERSHIP ACT. HE WAS A STRONG SUPPORTER OF THE COMPREHENSIVE EMPLOYMENT TRAINING ACT

AND HE CONTINUES TO SUPPORT THIS NEW SYSTEM WITH RENEWED ENTHUSIASM. HOWEVER, THE CHALLENGE BEFORE US IS TREMENDOUS. AS THE JACKSON METROPOLITAN AREA CONTINUES TO GROW FROM THAT OF 320,000 PERSONS, OF WHICH 52,000 HAVE BEEN DESIGNATED ECONOMICALLY DISADVANTAGED BY THE U. S. CENSUS BUREAU, THE NEED TO DIVERSIFY AND BECOME A COMPREHENSIVE AGENCY IS IMPERATIVE. TO ACCOMPLISH SUCH, WE HAVE INITIATED THE FOLLOWING STEPS: 1) UNDER THE LEADERSHIP OF MR. PAUL LATTURE, EXECUTIVE VICE-PRESIDENT OF THE JACKSON CHAMBER OF COMMERCE, WE ARE DEVELOPING A TRUE PARTNERSHIP WITH OUR LOCAL BUSINESS AND INDUSTRY SECTOR IN JACKSON. OUR SERVICE DELIVERY AREA IS INVOLVED IN NOT ONLY THE CHAMBER'S SERVICES WHICH ARE PROVIDED TO EXISTING BUSINESSES, BUT ALSO IS INCLUDED IN THE CHAMBERS'S ACTIVITIES RELATIVE TO ATTRACTING NEW BUSINESS AND INDUSTRY FIRMS TO THE CITY OF JACKSON AND STATE OF MISSISSIPPI. 2) THE CITY COUNCIL OF THE CITY OF JACKSON HAS ENACTED A RESOLUTION WHICH PROVIDES THAT THE CAPITAL AREA TRAINING AND EMPLOYMENT CONSORTIUM WILL BE UTILIZED AS THE FIRST SOURCE REFERRAL ENTITY FOR JTPA TRAINEES TO APPLY FOR JOBS CREATED AS THE RESULT OF ECONOMIC DEVELOPMENT PROJECTS IMPLEMENTED BY THE CITY OF JACKSON.

WE FEEL THAT WE HAVE ESTABLISHED THE TYPES OF LINKAGES WHICH NOT ONLY FOLLOW THE REQUIREMENTS OF THE JOB TRAINING PARTNERSHIP, BUT ALSO SUPPORT CONGRESSIONAL INTENT; HOWEVER, THE EFFORTS OF LOCAL SERVICE DELIVERY AREAS IN THIS REGARD COULD BE ENHANCED BY SOME ASSISTANCE FROM THE NATIONAL LEVEL. WE FEEL THAT FEDERAL AGENCIES THAT PROVIDE FINANCIAL SUPPORT TO STATES AND MUNICIPALITIES FOR ECONOMIC DEVELOPMENT PROJECTS - WHICH CREATE JOBS - SHOULD REQUIRE FIRST SOURCE HIRING AGREEMENTS BETWEEN LOCAL SERVICE DELIVERY AREAS AND LOCAL RECIPIENTS OF FEDERAL ECONOMIC DEVELOPMENT FUNDS BE ESTABLISHED AS A PREREQUISITE TO RECEIPT OF THE ECONOMIC DEVELOPMENT FUNDS. WE FEEL THAT THIS WOULD PROMOTE NOT ONLY THE REDUCTION OF UNEMPLOYMENT, BUT ALSO WOULD FACILITATE MAXIMUM UTILIZATION OF FEDERAL (TAXPAYERS) DOLLARS.

AGAIN, THANK YOU FOR YOUR SUPPORT AND THE OPPORTUNITY TO TESTIFY BEFORE THIS SUBCOMMITTEE.

THIS CONCLUDES MY STATEMENTS, MR. CHAIRMAN, I WILL BE HAPPY TO ANSWER QUESTIONS WHICH YOU AND MEMBERS OF THE SUBCOMMITTEE MAY HAVE AT THIS TIME.

Senator COCHRAN. I was particularly impressed with some suggestions that are included in Billy McDonald's statement. One of those indicates that during the transition period there were differences of opinion among local government entities within the State as to how the Job Training Partnership Act should be organized and implemented and that there needs to be a clarification from the national level.

A request for this has received no response up to this time and, I'm sure this creates problems.

I think this is an excellent suggestion of something we can carry back with us to Washington to insist that there be some clarification from the national level so as to settle differences of opinion that exist among State agencies that are charged with administering the program.

Another key point made in that statement is the lack of guidance, again, from the national level which has caused the State to be overly cautious and require more paperwork and reports than really are necessary. That is an observation that, to me, is a very key point because the Job Training Partnership Act was designed to help eliminate paperwork and try to reduce those burdens. Tommie Stingley points out that his experience so far indicates that we have got too much bureaucratic redtape involved in the administration of this act.

I think those are observations that are very important and we need to do a better job of insisting that the redtape be eliminated. JTPA for instance has not made it clear what their reporting requirements are for the service delivery areas that you represent and so the State is having to make those decisions without any guidance from the Federal level and they may be overly aggressive in requiring paperwork that may ultimately not really be needed by the national administrators. So audit guidelines from the office of the Inspector General should be given the States as soon as possible. We will insist that that be done. I will insist that that be done and hope that they pay attention and respond to it.

I appreciate very much your contribution to the Committee.

I do not know of any questions that I have of you. The statements that you have made are very clear and concise and very helpful to an understanding of the experience that you are having in the service delivery areas making available the benefits of this program.

Thank you very much for being here. We appreciate it a lot.

Our next panel, after which we will have a break, is going to consist of individuals giving us a rural community perspective.

William Boswell, who is a partner in a firm, Boswell, Boswell & Barfield in Cleveland, MS, is PIC chairman, Mississippi Service Delivery Area; Charles Bannerman, executive director of the Delta Foundation, Greenville; Tom Wallace, who is manager of Port Gibson Electric Manufacturing Co. of Port Gibson, MS.

I appreciate you being here and Mr. Boswell, we will start off with you. Thank you for coming and welcome to the hearing.

STATEMENT OF WILLIAM BOSWELL, PIC CHAIRMAN, MISSISSIPPI SERVICE DELIVERY AREA, CLEVELAND, MS; CHARLES BANNERMAN, EXECUTIVE DIRECTOR OF THE DELTA FOUNDATION, GREENVILLE, MS; AND TOM WALLACE, MANAGER OF PORT GIBSON ELECTRIC MANUFACTURING COMPANY, PORT GIBSON, MS

Mr. BOSWELL. Thank you, Senator Cochran. I appreciate the opportunity to give you a brief overview of how the Job Training Partnership Act works in a large rural service delivery area.

I am William S. Boswell, Jr., certified public accountant, member of the firm of Boswell, Boswell & Barfield of Cleveland and Drew, MS, and have the privilege since JTPA came about of chairing the Private Industry Council for the Mississippi SDA.

The Mississippi SDA is unique I think in many ways in that it is a large service delivery area comprising 78 counties in the State of Mississippi plus that portion of Hinds County outside the cities of Jackson and Clinton. This geographic area is approximately 350 miles by 200 miles and has a population of 2,052,456 people. Of that number 623,800 are classified as economically disadvantaged. The unemployment rate currently is 9.5 percent.

Thus, we have a very large populace to serve and we cover a very large geographic area which presents some unique and different problems in the administration of our program.

Recognizing that to serve a large area like this we would have these problems, we structured our planning by involving the 10 training and development districts throughout our State. We have set up within those 10 training and development districts committees which are populated by the same criteria that JTPA set out for the Private Industry Council.

We felt that these groups could identify problems, needs and resources within their area far better than we could identify those needs from a central office in Jackson, MS.

We have been fortunate in the implementation of JTPA to be able to use to a great extent a group of statewide agencies that were already in place, including our very fine junior college program in the State of Mississippi, Mississippi Employment Security Commission and other agencies that have statewide capabilities.

Recognizing that under the law we have an obligation to serve youth under our SDA we felt that the components of youth had to be broken down and recognized. The Mississippi SDA must expend 41 percent of its funds on training for youth, but breaking the youth component out of the economically disadvantaged category is not enough in itself. That component can be broken into two subdivisions: Those youth who are currently in school but who are in danger of dropping out of the education system, and those youth who have already dropped out. PIC has funded model programs for each of these subdivisions of the youth category. We have established within our PIC structure a subcommittee to deal specifically with youth programs and issues.

The PIC commends and strongly supports the JTPA's recognition of and directive to serve the youth population. However, in attempting to implement JTPA's intent, the PIC finds itself hampered by the current regulations. In the case of youth programs, the law allows and encourages other positive results than occupational training. Yet the regulations prohibit a youth program, where occupational training is not the best option, from fully participating in fixed unit price contracting. I understand that Senator Quayle is working to resolve this problem and we of course appreciate any help that you could give us also in eliminating that problem.

Another problem that we have in our SDA because of the size and the geographic area that we cover is in the limitation of administrative cost. It is obvious that, when we have to bring people for meetings from as far north as Tupelo and Holly Springs and from Pascagoula and other areas of the extreme geographic areas of our State, the cost of that is extremely higher than it would be were we all located in one municipality. The greater cost of telephone and mailing and other administrative cost are much higher in a rural SDA such as ours. We feel that we need some relief although philosophically we support the idea of capping administrative costs. We feel that the purpose and intent of the law was to provide as great an amount of our funds as possible to the target groups for training, but some recognition needs to be made of the very special administrative problems that we have in large rural SDA's such as ours.

Another problem for rural SDA involves the limitation of expenditures for participants of support services and again the demographics of our area provide a much more difficult time for trainees to be able to arrive at training centers and to participate in the training programs because they are dispersed over such a large area. We need some further assistance in the area of participants support services.

As a member of the private sector this has been my first experience in dealing with employment and training legislation. I have to admit that initially there was some hesitation on my part in participating in such programs. However, I am of the conclusion after a little over a year's participation that JTPA can be the vehicle to provide effective training to the target groups that we seek to help. I believe that the private sector will do its part as it has been charged to do by the U.S. Congress in this legislation and I believe that the unique opportunity of the private and public sectors joining hands to provide services will be a very meaningful experience for all the players and will provide a much more effective program for those whom we seek to help.

I appreciate the opportunity to appear before the Committee this morning.

Senator COCHRAN. Thank you very much, Bill Boswell. We appreciate your being here and we thank you for that excellent statement.

[The prepared statement of Mr. Boswell follows:]

TESTIMONY OF WILLIAM S. BOSWELL, JR.

SENATOR QUAYLE, SENATOR COCHRAN. I APPRECIATE THE OPPORTUNITY TO GIVE YOU A BRIEF OVERVIEW OF HOW THE JOB TRAINING PARTNERSHIP ACT WORKS IN A LARGE RURAL SERVICE DELIVERY AREA. I AM WILLIAM BOSWELL, A PARTNER IN THE CPA FIRM OF BOSWELL, BOSWELL, AND BARFIELD IN CLEVELAND, MISSISSIPPI, AND THE CHAIR OF THE PRIVATE INDUSTRY COUNCIL FOR THE MISSISSIPPI SDA. OUR SDA IS COMPRISED OF 79 OF THE STATE'S 82 COUNTIES. THIS IS A GEOGRAPHIC AREA OF APPROXIMATELY 350 MILES BY 200 MILES. THIS SDA HAS A TOTAL POPULATION OF 2,051,456, OF WHICH 623,800 ARE ECONOMICALLY DISADVANTAGED INDIVIDUALS. OUR CURRENT UNEMPLOYMENT RATE IS 9.5%. THUS WE HAVE A VERY LARGE POPULACE TO SERVE AND WE COVER A LARGE GEOGRAPHIC AREA WHICH IS CHIEFLY RURAL IN NATURE.

THE CHARACTERISTICS OF THE MS SDA PRESENT SOME UNIQUE PROBLEMS. THE PIC HAS ADDRESSED THESE PROBLEMS AND FOUND SOLUTIONS FOR MANY OF THEM, BUT THESE SOLUTIONS ARE CONSTANTLY BEING REFINED AS THE COUNCIL GAINS MORE EXPERIENCE WITH JTPA.

LOCAL PLANNING PROCESS

FOR EXAMPLE, THE MS SDA FEELS THAT THE INTENT OF JTPA WAS TO PUT EMPLOYMENT AND TRAINING ON A LOCAL LEVEL TO SERVE THE NEEDS OF PEOPLE IN THAT AREA. THE NEEDS OF THE LOCAL AREAS CANNOT BE MET IN A LARGE RURAL SDA IF YOU ADMINISTER THE PROGRAM SOLELY FROM A CENTRAL OFFICE IN JACKSON. THE STATE IS DIVIDED INTO TEN PLANNING AND DEVELOPMENT DISTRICTS. AT ITS FIRST MEETING, THE PIC DETERMINED THAT IN ORDER TO COORDINATE PROGRAMS THROUGHOUT THE STATE AND TO INSURE THAT THE NEEDS OF EACH LOCAL AREA WOULD BE MET, THESE PLANNING AND DEVELOPMENT DISTRICTS WOULD BE USED. EACH OF THESE DISTRICTS HAS A STAFF

PERSON ASSIGNED TO THE PLANNING OF JTPA PROGRAMS. EACH DISTRICT ALSO HAS A LOCAL PLANNING COMMITTEE ESTABLISHED UNDER THE SAME REQUIREMENTS SPECIFIED FOR PIC'S BY JTPA. THUS EACH DISTRICT IS ABLE TO DETERMINE THE NEEDS OF ELIGIBLE PARTICIPANTS AND INDUSTRY WITHIN THEIR AREA, PRIORITIZE THOSE NEEDS, AND FEED THAT INFORMATION TO THE PIC.

COORDINATION WITH EXISTING STATE DELIVERY SYSTEMS

THE PIC ALSO TAKES ADVANTAGE OF EXISTING STATEWIDE AGENCIES AND SYSTEMS WHEREVER POSSIBLE. THE PIC'S POLICY IS THAT IF THERE IS A QUALITY SYSTEM IN PLACE WHICH CAN EFFECTIVELY SERVE IDENTIFIED NEEDS IN A COST-EFFICIENT MANNER, THAT SYSTEM SHOULD BE UTILIZED. AN EXAMPLE OF THIS POLICY IS THE USE OF THE STATE'S JUNIOR COLLEGE SYSTEM. IF THE NEED FOR A PARTICULAR TYPE OF TRAINING IS IDENTIFIED IN AN AREA AND THE JUNIOR COLLEGE FOR THAT AREA CAN PROVIDE THE TRAINING ACCORDING TO THE SPECIFICATIONS DEFINED BY THE PIC, THE JUNIOR COLLEGE WILL BE USED RATHER THAN A PRIVATE CONTRACTOR. ANOTHER EXAMPLE WOULD BE THE USE OF THE MISSISSIPPI STATE EMPLOYMENT SERVICE. BECAUSE THAT AGENCY HAS OFFICES THROUGHOUT THE SDA, IT CAN PROVIDE A UNIFORM INTAKE AND ASSESSMENT SYSTEM FOR ALL JTPA PARTICIPANTS. THUS OUR PIC RECOGNIZES THE NEED AND ADVANTAGES OF COORDINATING WITH EXISTING STATE DELIVERY SYSTEMS.

SERVICE TO YOUTH

THE PIC ALSO RECOGNIZES THAT IT IS INSUFFICIENT TO SIMPLY DESIGN PROGRAMS TO MEET THE NEEDS OF THE "ECONOMICALLY DISADVANTAGED." WE FEEL THAT THE NEEDS OF EACH COMPONENT OF INDIVIDUALS WHO MAKE UP THIS BROAD CATEGORY MUST BE IDENTIFIED AND ADDRESSED. AN ILLUSTRATION OF THIS APPROACH IS THAT WHICH THE PIC HAS TAKEN TOWARD YOUTH. THE MS SDA MUST EXPEND 41% OF ITS FUNDS ON TRAINING FOR YOUTH. BUT BREAKING THE YOUTH COMPONENT OUT OF THE ECONOMICALLY DISADVANTAGED CATEGORY IS NOT ENOUGH. THAT COMPONENT CAN BE BROKEN INTO TWO

SUBDIVISIONS: THOSE YOUTH WHO ARE CURRENTLY IN SCHOOL BUT WHO ARE IN DANGER OF DROPPING OUT OF THE EDUCATIONAL SYSTEM; AND THOSE YOUTH WHO HAVE ALREADY DROPPED OUT. THE PIC HAS FUNDED MODEL PROGRAMS FOR EACH OF THESE SUBDIVISIONS OF THE YOUTH CATEGORY. IT HAS ALSO ESTAPLISHED A SUBCOMMITTEE TO DEAL SPECIFICALLY WITH YOUTH PROGRAMS AND ISSUES.

FIXED UNIT PRICE CONTRACTING RECOGNIZING YOUTH COMPETENCIES

THE PIC COMMENDS AND STRONGLY SUPPORTS JTPA'S RECOGNITION OF AND DIRECTIVE TO SERVE THE YOUTH POPULATION. HOWEVER, IN ATTEMPTING TO IMPLEMENT JTPA'S INTENT, THE PIC FINDS ITSELF HAMPERED BY THE CURRENT REGULATIONS. IN THE CASE OF YOUTH PROGRAMS, THE LAW ALLOWS AND ENCOURAGES OTHER POSITIVE RESULTS THAN OCCUPATIONAL TRAINING. YET THE REGULATIONS PROHIBIT A YOUTH PROGRAM, WHERE OCCUPATIONAL TRAINING IS NOT THE BEST OPTION, FROM FULLY PARTICIPATING IN FIXED UNIT PRICE CONTRACTING. I UNDERSTAND THAT YOU, SENATOR QUAYLE, ARE WORKING TO RESOLVE THIS PROBLEM. YOUR EFFORTS ON OUR BEHALF ARE SINCERELY APPRECIATED.

ADMINISTRATIVE COST LIMITATION

AS A RURAL SDA WE HAVE FACED A SECOND PROBLEM WITH IMPLEMENTING JTPA AS WE BELIEVE THE DRAFTERS INTENDED. THIS PROBLEM CONCERNS THE INTERPRETATION OF COST LIMITATIONS FOR JTPA FUNDS. IT WAS OUR UNDERSTANDING THAT THE "FUNDS AVAILABLE" LANGUAGE IN JTPA WAS INTENDED TO MEAN THAT COST LIMITATIONS WOULD BE PLACED ON THE ACTUAL FUNDS AVAILABLE TO AN SDA, OR AN SDA'S ALLOCATION, RATHER THAN THE FUNDS ACTUALLY EXPENDED BY AN SDA. WE FEEL THE LATTER INTERPRETATION UNDULY RESTRICTS THE IMPLEMENTATION OF JTPA. SUCH AN INTERPRETATION WOULD CAUSE INSTABILITY IN AN ADMINISTRATIVE ENTITY IF A LAPSE IN TRAINING FUNDS WAS PROJECTED OR A HAPHAZARD EXPENDITURE OF TRAINING FUNDS DURING THE LAST MONTHS OF A YEAR. WE DO NOT BELIEVE THAT EITHER RESULT IS ONE ENVISIONED BY JTPA DRAFTERS.

PARTICIPANT SUPPORT SERVICES

ANOTHER PROBLEM FOR A RURAL SDA INVOLVES THE LIMITATION ON EXPENDITURES FOR PARTICIPANT SUPPORT SERVICES. THIS INVOLVES TWO ISSUES WHICH CAN BE ILLUSTRATED WITH THE SAME EXAMPLE. THE FIRST CONCERNS THE NEEDS BASED PAYMENT SYSTEM. OUR SDA CURRENTLY HAS A SYSTEM IN PLACE WHEREBY A PARTICIPANT RECEIVES $1.00 PER HOUR FOR EACH HOUR OF TRAINING ATTENDED. THIS PAYMENT IS FOR PARTICIPANT TRANSPORTATION AND MEAL COSTS. THE LIMITATION ON PARTICIPANT SUPPORT DICTATES THE AMOUNT WHICH CAN BE EXPENDED ON NEEDS BASED PAYMENTS. YET BECAUSE OF THE AREA COVERED AND THE TRANSPORTATION NECESSARY, THIS AMOUNT IS TOTALLY INSUFFICIENT. OUR PIC ADVOCATES DOING AWAY WITH ENTIRE NEEDS BASED PAYMENT AS AN ALLOWABLE EXPENDITURE. RATHER, WE WOULD SUPPORT A REVISION OF THE CLASSIFICATION OF PARTICIPANT SUPPORT COSTS. THIS WOULD RESOLVE OUR SECOND ISSUE - THE IMPOSSIBILITY UNDER CURRENT COST CLASSIFICATIONS OF FULFILLING THE NEEDS OF A RURAL POPULATION SO THAT THEY CAN ATTEND TRAINING. AGAIN, TRANSPORTATION IS USED AS AN EXAMPLE. WHILE IT IS POSSIBLE IN A METROPOLITAN AREA TO UTILIZE EXISTING PUBLIC TRANSPORTATION, MOST AREAS OF OUR RURAL SDA HAVE NO EXISTING TRANSPORTATION SYSTEM. THUS IN A RURAL SDA IT IS NECESSARY TO PROVIDE A MEANS OF TRANSPORTATION IN ORDER TO CONDUCT A TRAINING PROGRAM. YET BECAUSE OF THE LIMITATION ON SUPPORT COSTS, THIS CANNOT BE DONE. THEREFORE, THE PIC ADVOCATES AN INCREASED LIMITATION ON PARTICIPANT SUPPORT COSTS.

AS A MEMBER OF THE PRIVATE SECTOR THIS IS MY FIRST EXPERIENCE IN DEALING WITH EMPLOYMENT AND TRAINING LEGISLATION. MY INITIAL HESITATIONS IN PARTICIPATING IN SUCH A PROGRAM WERE QUICKLY RESOLVED ONCE I BEGAN WORKING WITH THE JTPA ITSELF. ITS INTENT IS ONE WHICH I STRONGLY SUPPORT. I BELIEVE THAT IT WAS WRITTEN IN SUCH A MANNER AS TO DESERVE AND OBTAIN THE SUPPORT

AND COMMENDATION OF THE PRIVATE SECTOR AS A WHOLE. WHILE THERE MAY BE PROBLEMS WITH IMPLEMENTATION, I AM HAPPY TO REPORT THAT THESE HAVE NOT ARISEN WITH THE ACTORS WITHIN OUR STATE. THE SUPPORT OF, THE COORDINATION WITH, AND THE ASSISTANCE FROM STATE JTPA STAFF HAS BEEN EXCELLENT.

Mr. **Cochran**. Next we hear from Charles Bannerman, executive director of the Delta Foundation.

Mr. **Bannerman**. Thank you, Senator Cochran.

I appreciate the opportunity to talk to you today concerning the Job Training Partnership Act and its relation with rural community-based organizations and their efforts to serve the hard-to-serve of Mississippi.

My presentation will reflect many of the comments made previously but I will attempt to focus on one hard-to-serve element of our population and try to highlight some of the problems of the legislation through that development.

I represent the Delta Foundation, a private community based organization recognized as one of the most innovative and effective rural development job creating organizations in the Nation. Our sister organization, Mississippi Action for Community Education or MACE, is as often cited as a leader in the field of employment and training. MACE's major purpose is to help the poor and low-income residents of 15 counties in the highly rural Delta and adjacent hill areas help move themselves into and up the mainstream of American society. It must be remembered that most of the area we serve contains much of the Third Congressional District, the poorest congressional district in the Nation. The other two are in New York City in the wealthy State of New York.

We are concerned about the hardest to serve, a section of our population which can and must benefit from the programs of the Job Training Partnership Act.

Like JTPA, MACE depends on the development, potential, and involvement of local actors in planning and operating needed activities. A liaison such as this is essential for responsible and equitable service delivery to large rural areas like ours. The authors of the act are to be commended for insuring local participation, thus making major strides to insuring success.

Mississippi Action for Community Education currently operates the adolescent pregnancy, parenting, and employment training program in Greenville through a contract with the Mississippi Service Delivery Area and an agreement with the Manpower Demonstration Research Corp. of New York City, a privately funded organization funded by the Ford Foundation.

As I am sure you are aware, teenage parents make up one of the most visible and prevalent portions of our society in need of assistance. The alarming growth in teenage pregnancies has not bypassed Mississippi or the rural Delta. In 1978 teenage mothers accounted for 27.4 percent of all births. Black teenagers accounted for 16 percent of all black births. From 1979 to 1981 MACE ran several employment and training programs serving youth between 16 and 19. Fifty-five percent of the participants were female. The female dropout rate was 44 percent. Roughly one-third of those who dropped out did so because they were pregnant. In Humphreys, Issaquena, Sharkey, and Washington Counties for 1979 there were a total of 2,745 births, 2,004 blacks and 742 whites. Black teenagers of mothers in 36 percent of black births had 26 percent of all births. Two percent of the black mothers were under the age of 15; 34 percent were illegitimate. Eighty percent of the black teenage mothers were receiving public assistance, a maximum of $60 per month per child; if the other had another child, assistance in payments increased to $96 per month when the second child arrived.

The problems generated by teenage parenting is current as well as far-reaching. A study shows that teenage mothers are dangerously prone to become welfare clients and contribute to the welfare dependency cycle. Children of teenage parents are prime candidates for failure in school and targets for drug and crime involvement; the loss of education to the teenage mother leads to a larger family, higher unemployment, employment in low-paying jobs and a higher probability of needing public assistance.

These studies also stress as a remedy the importance of programs to help adolescent mothers continue their schooling and assist in providing technical or vocational training. This is what the current MACE project is doing, along with offering needed specialized and individualized support services, including help in making crucial career decisions about education, training and employment.

At this time I would like to address two issues which in my opinion weaken JTPA's ability to serve what we have called the hard-to-serve segment of our population. They are the strict across-the-board approach to performance standards and the cost limitations which weaken the support service network.

First, performance standards. It is possible through JTPA to combat poverty and deprivation among the hard-to-serve population such as adolescent mothers. However, with the emphasis of the Act on training, particularly in specific occupational skill areas, groups with special or extreme needs may suffer. We must also focus on the needs of the hard-to-serve, the handicapped, the dropout, the social offender, the teenage parent. Their needs are greater and more difficult to overcome.

These people in our community are what is commonly being referred to by economical and social scholars as a permanent underclass. While we recognize that previous programs have frustrated the hard-to-serve in training for the sake of training and we recognize the need that there should be a job at the end of the training cycle, we would like to point out that the present system on the other side of the spectrum promotes creaming, that is the selection of a more elite category of participants rather than the hard-to-serve.

I understand that adjustment must be made when there is a high number of hard-to-serve individuals to be served in a particular area but even when these adjustments are made the FDA's are still evaluated based on the number of individuals entering employment. In rural areas, as has been addressed previously, we have to deal with combating illiteracy as well as the development of pre-employment skills before an individual can be considered eligible for occupational skill training.

The present system encourages the elimination or the limitation of the number of hard-to-serve participants. If we or other programs were to play the numbers game we would be encouraged to select an in-school participant who is an honor student with one child versus an out-of-school participant with three children who cannot read. The honor student who will probably succeed without JTPA services will, of course, be easier to train and placed on the job. However, the out-of-school participant will need remediation services as well as pre-employment skill training before he or she is ready for job placement.

The in-school participant will evaluate positively while service to the out-of-school participant will be given a negative evaluation. Even though that there is a local negative termination it will have some effect on the overall SDA statistics in judgment of their performance. Even with the best training we cannot expect the same performance levels in all areas. The hard-to-serve should be considered separately so that we do not have to judge them based on unattainable standards.

Second, as also has been spoken before, cost limitations. The 15-percent support limitation on support services is certainly not enough to address the needs of the hard-to-serve and may, in fact, be counterproductive toward the goal for the act.

We recognize that there is a provision in the act for a waiver of the 15-percent limitation, however the SDA is still judged on the same standards while reaching the hard-to-serve as it is on reaching the more easier-to-serve. To ask the welfare mother to take the only income that she has and use a large portion of it for transportation, child care, even basic cost of food while away from home causes frustration and bitterness; frustration because if she does not accept the free training, she is considered ungrateful and lazy; bitterness because she is asked to choose between family survival and training.

We must realize there is a portion of our society which does not possess the skills necessary for even entry into vocational occupational training, much less entry into the job market. I might add that in Mississippi and its rural communities we find a great number of those people as compared to other parts of the country.

Programs must be structured then in the same sense that the Job Training Act recognizes and is sensitive to local input, must be structured to meet those local needs through training coupled with an extensive network of support services. This will enable the hard-to-serve to move up the ladder to training and eventually successful entry into the job market. A clear path must be provided for the hard-to-serve that will enable them to experience the success of self-sufficiency.

In order to adequately address the needs of the hard-to-serve we must first determine the most effective and cost-efficient approach for each area of need. It is through relatively small model projects that we are able to learn while we are helping participants in bettering their lives, economically and socially. We must understand that while training is an important step to complete development, first basic personal support and assistance must accompany it to insure attainment of the act's goals when considering the hard-to-serve segment of our population.

Senator COCHRAN. Thank you very much for an excellent point of view that I think will benefit the community greatly. Thank you very much, Mr. Bannerman.

[The prepared statement of Mr. Bannerman follows:]

TESTIMONY OF CHARLES BANNERMAN

SENATOR QUAYLE, SENATOR COCHRAN. I AM CHARLES BANNERMAN, EXECUTIVE DIRECTOR OF THE DELTA FOUNDATION LOCATED IN GREENVILLE, MISSISSIPPI. I APPRECIATE THE OPPORTUNITY TO TALK WITH YOU CONCERNING THE JOB TRAINING PARTNERSHIP ACT AND ITS RELATION WITH RURAL COMMUNITY BASED ORGANIZATIONS AND THEIR EFFORTS TO SERVE THE "HARD-TO-SERVE" OF MISSISSIPPI.

THE DELTA FOUNDATION IS A COMMUNITY BASED ORGANIZATION RECOGNIZED AS ONE OF THE MOST INNOVATIVE AND EFFECTIVE RURAL DEVELOPMENT ORGANIZATIONS IN THE NATION. OUR SISTER ORGANIZATION, MISSISSIPPI ACTION FOR COMMUNITY EDUCATION OR MACE, IS AN OFTEN CITED LEADER IN THE FIELD OF EMPLOYMENT AND TRAINING. MACE'S SOLE PURPOSE IS TO HELP THE POOR AND LOW-INCOME RESIDENTS OF 15 COUNTIES IN THE HIGHLY RURAL DELTA AND ADJACENT HILL AREA HELP THEMSELVES MOVE INTO AND UP THE MAINSTREAM OF AMERICAN SOCIETY. THIS IS A SECTION OF OUR POPULATION WHICH SHOULD, CAN, AND MUST BENEFIT FROM THE PROGRAMS OF THE JOB TRAINING PARTNERSHIP ACT.

LIKE JTPA, MACE DEPENDS ON THE DEVELOPMENT, POTENTIAL, AND INVOLVEMENT OF LOCAL ACTORS IN PLANNING AND OPERATING NEEDED ACTIVITIES. A LIAISON SUCH AS THIS IS ESSENTIAL FOR RESPONSIBLE AND EQUITABLE SERVICE DELIVERY TO LARGE RURAL AREAS LIKE OURS. THE AUTHORS OF THE ACT ARE TO BE COMMENDED FOR INSURING LOCAL PARTICIPATION, THUS MAKING MAJOR STRIDES IN INSURING SUCCESS.

MISSISSIPPI ACTION FOR COMMUNITY EDUCATION CURRENTLY OPERATES THE ADOLESCENT PREGNANCY, PARENTING AND EMPLOYMENT TRAINING PROGRAM IN GREENVILLE THROUGH A CONTRACT WITH THE MISSISSIPPI SERVICE DELIVERY AREA AND AN AGREEMENT WITH MANPOWER DEMONSTRATION RESEARCH CORPORATION. AS I AM SURE YOU ARE AWARE, TEENAGE PARENTS MAKE-UP ONE OF THE MOST VISIBLE AND PREVALENT PORTIONS OF OUR SOCIETY IN NEED OF ASSISTANCE.

THE PROBLEMS GENERATED BY TEENAGE PARENTING ARE CURRENT AS WELL AS FAR REACHING. STUDIES SHOW THAT:

- ° TEENAGE MOTHERS ARE DANGEROUSLY PRONE TO BECOME WELFARE CLIENTS;
- ° CHILDREN OF TEENAGE PARENTS ARE PRIME CANDIDATES FOR FAILURE IN SCHOOL AND TARGETS FOR DRUG AND CRIME INVOLVEMENT;
- ° THE LOSS OF EDUCATION TO THE TEEN MOTHER LEADS TO LARGER FAMILIES, HIGHER UNEMPLOYMENT, EMPLOYMENT IN LOW-PAYING JOBS AND A HIGHER PROBABILITY OF NEEDING PUBLIC ASSISTANCE.

THESE STUDIES ALSO STRESS AS A REMEDY, THE IMPORTANCE OF PROGRAMS TO HELP ADOLESCENT MOTHERS CONTINUE THEIR SCHOOLING AND ASSIST IN PROVIDING TECHNICAL OR VOCATIONAL TRAINING. THIS IS WHAT THE CURRENT MACE PROJECT IS DOING, ALONG WITH OFFERING NEEDED SPECIALIZED AND INDIVIDUALIZED SUPPORT SERVICES, INCLUDING HELP IN MAKING CRUCIAL CAREER DECISIONS ABOUT EDUCATION, TRAINING AND EMPLOYMENT.

AT THIS TIME I WOULD LIKE TO ADDRESS TWO ISSUES WHICH MAY WEAKEN JTPA IN ITS ABILITY TO SERVE THE "HARD-TO-SERVE." THEY ARE THE STRICT ACROSS-THE-BOARD APPROACH TO PERFORMANCE STANDARDS AND THE COST LIMITATIONS WHICH WEAKEN THE SUPPORT SERVICE NETWORK.

FIRSTLY, PERFORMANCE STANDARDS. IT IS POSSIBLE THROUGH JTPA TO COMBAT POVERTY AND DEPRIVATION AMONG THE HARD-TO-SERVE POPULATION SUCH AS ADOLESCENT MOTHERS. HOWEVER, WITH THE EMPHASIS OF THE ACT ON TRAINING, PARTICULARLY IN SPECIFIC OCCUPATIONAL SKILL AREAS, GROUPS WITH SPECIAL OR EXTREME NEEDS MAY SUFFER. WE MUST ALSO FOCUS ON THE NEEDS OF "THE HARD-TO-SERVE," THE HANDICAPPED, THE DROP-OUT, THE SOCIAL OFFENDER, THE TEEN PARENT. THEIR NEEDS

ARE GREATER AND MORE DIFFICULT TO OVERCOME. EVEN WITH THE BEST TRAINING, WE CANNOT EXPECT THE SAME PERFORMANCE LEVELS IN ALL AREAS. THE "HARD-TO-SERVE" SHOULD BE CONSIDERED SEPARATELY SO THAT WE DO NOT JUDGE THEM BASED ON UNATTAINABLE STANDARDS.

SECONDLY, COST LIMITATIONS. WE MUST REALIZE THAT THERE IS A PORTION OF OUR SOCIETY WHICH DOES NOT POSSESS THE SKILLS NECESSARY FOR EVEN ENTRY INTO VOCATIONAL/OCCUPATIONAL TRAINING, MUCH LESS ENTRY INTO THE JOB MARKET. PROGRAMS MUST BE STRUCTURED TO MEET THEIR NEEDS THROUGH TRAINING COUPLED WITH AN EXTENSIVE NETWORK OF SUPPORT SERVICES. THIS WILL ENABLE THE "HARD-TO-SERVE" TO MOVE UP THE LADDER TO TRAINING AND EVENTUALLY SUCCESSFUL ENTRY INTO THE JOB MARKET. THE LIMITATIONS PLACED ON PARTICIPANT SUPPORT COSTS PUT SERVICE PROVIDERS IN A POSITION WHERE IT IS IMPOSSIBLE TO MEET THE NEEDS OF THEIR CLIENTS. THUS, MANY MAY NOT EXPERIENCE THE SUCCESS OF SELF SUFFICIENCY.

IN ORDER TO ADEQUATELY ADDRESS THE NEEDS OF THE "HARD-TO-SERVE," WE MUST FIRST DETERMINE THE MOST EFFECTIVE AND COST EFFICIENT APPROACH FOR EACH AREA OF NEED. IT IS THROUGH RELATIVELY SMALL MODEL PROJECTS THAT WE ARE ABLE TO LEARN WHILE WE ARE HELPING PARTICIPANTS IN BETTERING THEIR LIVES, ECONOMICALLY AND SOCIALLY. WE MUST UNDERSTAND THAT WHILE TRAINING IS AN IMPORTANT STEP TO COMPLETE DEVELOPMENT, BASIC PERSONAL SUPPORT AND ASSISTANCE MUST ACCOMPANY IT TO INSURE ATTAINMENT OF THE ACT'S GOALS WHEN CONSIDERING THE "HARD-TO-SERVE."

Senator COCHRAN. Mr. Tom Wallace, president and chief executive officer, Port Gibson Electric Manufacturing Co., Port Gibson, MS.

Mr. Wallace.

Mr. WALLACE. Thank you for allowing me to appear at this hearing.

Senator Quayle, Senator Cochran, I am Tom Wallace, manager of Port Gibson Electric Manufacturing in Port Gibson, MS. I appreciate the opportunity to come before you today to address the issues from the perspective of private industry involvement with JTPA in a large rural SDA such as the Mississippi service delivery area.

Serving as a private industry representative on both a local planning council and private industry council has given me firsthand knowledge of and insight into private sector involvement at both the State and local levels.

JTPA presents a challenge to private industry to become actively involved in the idea of a community partnership at both the State and local levels.

JTPA presents a challenge to private industry to become actively involved in the idea of a community partnership in the delivery of employment and training services. Meeting this challenge requires much dedication and deliberation, and I feel the product of this partnership will respond to the private sector occupational needs, while at the same time provide the economically disadvantaged population within the State of Mississippi with the skills necessary to obtain and retain employment.

Let me commend you for the design of a positive and workable law which encourages business and Government to work together to train and place economically disadvantaged individuals in permanent private sector jobs.

I believe that with the enhanced role of private industry, the initial transition of JTPA has proved its intended goals and objectives can be achieved. However, while private industry is involved in program planning, we have also become aware of certain constraints in the implementation and administration of the law which hamper the delivery of services.

For example, upgrading and retraining. The different legislation excludes participation by individuals not economically disadvantaged, except for the 10-percent window for those facing other barriers to employment. These are individuals employed with private industry in entry level, unskilled or semiskilled positions or positions with little or no advancement opportunity in need of assistance. At the same time, there are individuals employed in occupations that experience massive layoffs and industry shutdowns. These individuals many times have potential for upward mobility and can be trained in other skills, but their income may be just above the poverty level. Because they are employed or not economically disadvantaged, they are not eligible for upgrading or retraining in new or more advanced skills. Upgrading and retraining would allow these individuals to advance within their occupational areas or learn new skills while providing them the opportunity for a higher standard of living. With this approach, private industry is provided a more skilled and trainable work force in newer technological areas to help place Mississippi in a competitive position to attract and retain industry.

Another such example is found when considering employment generating Services.

As I am sure you are aware, while these services are allowable activities under title II-A of the act, they must be considered as part of the limited administrative funds. Additional funds are needed in this area to help erase the stigma associated with the past. The industrial community must be made aware of the fact that JTPA is a new day in employment and training programs. However, cost limitations now make it virtually impossible to adequately implement needed employment generating services while effectively administering other program activities.

You will find that by strengthening business involvement, you will ultimately insure the success of the Job Training Partnership Act.

Thank you for allowing me to speak in this direction.

[The prepared statement of Mr. Wallace follows:]

TESTIMONY OF TOM WALLACE

SENATOR QUAYLE, SENATOR COCHRAN, I AM TOM WALLACE, MANAGER OF PORT GIBSON ELECTRIC MANUFACTURING IN PORT GIBSON, MISSISSIPPI. I APPRECIATE THE OPPORTUNITY TO COME BEFORE YOU TODAY TO ADDRESS THE ISSUES FROM THE PERSPECTIVE OF PRIVATE INDUSTRY INVOLVEMENT WITH JTPA IN A LARGE RURAL SDA SUCH AS THE MISSISSIPPI SERVICE DELIVERY AREA.

SERVING AS A PRIVATE INDUSTRY REPRESENTATIVE ON BOTH A LOCAL PLANNING COUNCIL AND PRIVATE INDUSTRY COUNCIL HAS GIVEN ME FIRST HAND KNOWLEDGE OF AND INSIGHT INTO PRIVATE SECTOR INVOLVEMENT AT BOTH THE STATE AND LOCAL LEVELS.

JTPA PRESENTS A CHALLENGE TO PRIVATE INDUSTRY TO BECOME ACTIVELY INVOLVED IN THE IDEA OF A COMMUNITY PARTNERSHIP IN THE DELIVERY OF EMPLOYMENT AND TRAINING SERVICES. MEETING THIS CHALLENGE REQUIRES MUCH DEDICATION AND DELIBERATION, AND I FEEL THE PRODUCT OF THIS PARTNERSHIP WILL RESPOND TO THE PRIVATE SECTOR OCCUPATIONAL NEEDS, WHILE AT THE SAME TIME PROVIDE THE ECONOMICALLY DISADVANTAGED POPULATION WITHIN THE STATE OF MISSISSIPPI WITH THE SKILLS NECESSARY TO OBTAIN AND RETAIN EMPLOYMENT. LET ME COMMEND YOU FOR THE DESIGN OF A POSITIVE AND WORKABLE LAW WHICH ENCOURAGES BUSINESS AND GOVERNMENT TO WORK TOGETHER TO TRAIN AND PLACE ECONOMICALLY DISADVANTAGED INDIVIDUALS IN PERMANENT PRIVATE SECTOR JOBS.

I BELIEVE THAT WITH THE ENHANCED ROLE OF PRIVATE INDUSTRY, THE INITIAL TRANSITION OF JTPA HAS PROVED ITS INTENDED GOALS AND OBJECTIVES CAN BE ACHIEVED. HOWEVER, WHILE PRIVATE INDUSTRY IS INVOLVED IN PROGRAM PLANNING, WE HAVE ALSO BECOME AWARE OF CERTAIN CONSTRAINTS IN THE IMPLEMENTATION AND ADMINISTRATION OF THE LAW WHICH HAMPER THE DELIVERY OF SERVICES.

For example, Upgrading and Retraining. The current legislation excludes participation by individuals not economically disadvantaged, except for the 10% window for those facing other barriers to employment. There are individuals employed with private industry in entry level, unskilled or semi-skilled positions or positions with little or no advancement opportunity in need of assistance. At the same time, there are individuals employed in occupations that experience massive layoffs and industry shut-downs. These individuals many times have potential for upward mobility and can be trained in other skills, but their income may be just above the poverty level. Because they are employed or not economically disadvantaged, they are not eligible for upgrading or retraining in new or more advanced skills. Upgrading and retraining would allow these individuals to advance within their occupational areas or learn new skills while providing them the opportunity for a higher standard of living. With this approach, private industry is provided a more skilled and trainable work force in newer technological areas to help place Mississippi in a competitive position to attract and retain industry.

Another such example is found when considering Employment Generating Services. As I am sure you are aware, while these services are allowable activities under Title II-A of the Act, they must be considered as part of the limited administrative funds. Additional funds are needed in this area to help erase the stigma associated with the past. The industrial community must be made aware of the fact that JTPA is a new day in employment and training programs. However, cost limitations now make it

VIRTUALLY IMPOSSIBLE TO ADEQUATELY IMPLEMENT NEEDED EMPLOYMENT GENERATING SERVICES WHILE EFFECTIVELY ADMINISTERING OTHER PROGRAM ACTIVITIES. YOU WILL FIND THAT BY STRENGTHENING BUSINESS INVOLVEMENT, YOU WILL ULTIMATELY INSURE THE SUCCESS OF THE JOB TRAINING PARTNERSHIP ACT.

Senator **Cochran**. Thank you very much Mr. Wallace for your very good statement.

I want to refer to the comments that were made earlier about the lack of guidelines and assistance from the Department of Labor in clarifying responsibilities among State and local service delivery areas and State administrative agencies. Senator Quayle sent a letter on this subject dated May 8, 1984, to Frank Casillas who is the Assistant Secretary for Employment and Training at the Department of Labor in Washington in which he identifies this as a problem and suggests that a more helpful posture be taken by the Department in specifically providing technical assistance and guidelines to State agencies. The response is positive from Mr. Casillas but it is just half a response because the inspector general has a responsibility for audits and that comes within his domain. But nonetheless it is supported enough that I think we ought to include Senator Quayle's letter and the response from Mr. Casillas at this point in the record to indicate that this is a matter that has the attention of the subcommittee chairman and that an effort has been made to get a better response from the Department of Labor of that point.

[The documents referred to follow.]

ROBERT T. STAFFORD, VT
DAN QUAYLE, IND
DON NICKLES, OKLA
GORDON J. HUMPHREY, N.H.
JEREMIAH DENTON, ALA
LOWELL P. WEICKER, JR., CONN
CHARLES E. GRASSLEY, IOWA
JOHN P. EAST, N.C.
PAULA HAWKINS, FLA

EDWARD M. KENNEDY, MASS
JENNINGS RANDOLPH, W. VA
CLAIBORNE PELL, R.I.
THOMAS F. EAGLETON, MO
DONALD W. RIEGLE, JR., MICH
HOWARD M. METZENBAUM, OHIO
SPARK M. MATSUNAGA, HAWAII
CHRISTOPHER J. DODD, CONN

RONALD F. DOCKSAI, STAFF DIRECTOR
KATHRYN O'L. HIGGINS, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, D.C. 20510

May 8, 1984

The Honorable Frank Casillas
Assistant Secretary
U.S. Department of Labor
200 Constitution Ave., N.W.
S 2307
Washington, D.C. 20210

Dear Mr. Casillas:

I appreciated the opportunity to express to you my concerns regarding the Department of Labor and The Job Training Partnership Act. I believe we have reached a mutual understanding regarding the need for cooperation between Congress and the Department in order to make JTPA a success. As I told you at our initial meeting, I intend to support you and work with you. In that regard, I would like to bring a matter to your attention which exemplifies some of the concerns I raised.

States and localities are in the process of sorting out a myriad of issues relating to the application of the cost limitations under JTPA. These issues involve the relationships between the various cost limitations. Also the States must determine the base levels and periods to which the limitations on cost should be applied. The relationship between the various cost limitations is complex and there are different ways of interpreting how they should be applied.

As a result, I am receiving inquiries regarding Congressional intent in the applicaton of the cost limitations. I believe the States and localities have some valid concerns and that this is an area where the Labor Department has a distinct role to play and is uniquely qualified to fulfill it. I would like to know how the Department is responding to these concerns.

It seems to me that this is a a very technical area and one in which the expertise of the Labor Department staff is needed. States could benefit from technical assistance provided by the Department.

- More importantly, does the Department intend to give some indication to States about whether audit procedures will take into account State policy in determining liability and accountability for funds? Will the Labor Department issue a blanket policy for all States; will it simply accept Governors' policy decisions; or request that policies be submitted for review and approval?

It is of critical importance to the long term success of JTPA that the Department provide guidance and inform the States as soon as possible about how it will proceed. If the Department fails to do this, I am afraid a situation may be developing which does not contribute to the success of JTPA or eradicate the image developed under CETA that job training programs are excessively bureacratic.

I have been told that some States are interpreting the application of the cost limitations in such a manner that service delivery areas will lose substantial flexibility in the use of their money. State policy on the cost limitations may provide incentives for spending in ways which SDAs otherwise would not choose to do.

States acknowledge that service delivery areas may be put in a difficult situation, but in the absence of any guidance from the Labor Department, "better safe than sorry" is the popular wisdom. Under JTPA, there is little forgiveness for the misexpenditure of funds in areas in which it is not clearly specified. States and localities do not want to be caught in a position where they must repay funds as a result of not correctly second guessing some future Department policy on how the cost limitations should be applied.

This kind of second guessing is happening in other administrative areas under JTPA as well and it has several harmful results. First of all it wastes limited administrative funds because precious time and resources are diverted to dealing with issues about which States lack adequate information. This often leads to a floundering approach to setting policy rather than direct and enlightened decision making. To some extent this is inevitable with a new program but much of this could be ameliorated if the Department would offer leadership and guidance where appropriate.

In some instances where single unit costs contracts are being used, dual track administrative records are being kept: one in case the Department really does permit States and localities discretion in establishing certain administrative procedures and one in case it decides differently. This is not the kind of atmosphere we sought to foster in JTPA and it is harmful because it clouds and diminishes the goals of JPTA. In addition, this sort of administrative waste and bureaucracy will not nurture the growth of private sector involvement or support.

It is incumbent upon the Department of Labor to provide assurances and guidance to States that clarify Federal policy in regard to liability issues. The Department should provide technical assistance to States so that policy is developed in as informed and enlightened a manner as possible. Otherwise I am concerned, and I think the States are concerned, that they are being set up for failure.

I hope you appreciate the supportive role the Department must assume to assist States through the metamorphosis from CETA to JTPA. We do not want to add a layer of JTPA performance standards and cost limitations over a mentality hardened by CETA procedural requirements. In the absence of guidance from the Labor Department, States have no indication that they should not follow a "business as usual" approach, repeating the experience they acquired under CETA.

This is a useful example to illustrate for you my concerns about the role of the Department in administering JTPA. Because the cost limitations are a crucial component of JTPA and are an immediate and pressing concern I wanted to bring this matter to your attention. I look forward to your response. Please let me know if I or my staff can be of any assistance to you.

Sincerely,

Dan Quayle
U.S. Senator

DQ:rck

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

1984 JUN -4 PM 12: 14

June 1, 1984

Honorable Dan Quayle
United States Senate
Washington, D.C. 20510

Dear Senator Quayle:

Thank you for your letter of May 8, 1984, concerning certain issues which have arisen regarding cost limitations under the Job Training Partnership Act (JTPA). Although, as you know, I have not yet been confirmed for the position of Assistant Secretary, I can provide you with information on the status of these issues.

The Department is in the process of developing its position with respect to the cost limitation issues. The proposed resolution of these issues will be published in the Federal Register in the near future. Initially, the proposed approach will be published as a solicitation for comments, thereby allowing those at the State and local level the opportunity to suggest alternatives or modifications. Advance copies of these materials will, of course, be sent to you. Once all comments have been received and addressed, a final notice will be published. These interpretations will not be made retroactive, but rather decisions already made by the States shall be valid until the announced effective date of the Department's policy interpretation.

I would also like to take this opportunity to assure you that I am fully aware of the Department's responsibilities under JTPA. This includes the establishment of overall policies where the issues involve direct Federal responsibilities and which require overall policies in order to maintain the integrity of the system. I intend to balance carefully our role with the statutory assignment to the States of many responsibilities for the administration and management of JTPA. In doing so, I intend to meet regularly with State and local JTPA officials.

Again, I appreciate your comments. As our schedules permit, I hope that we will be able to meet and discuss the Employment and Training Administration's programs and ways in which they may be improved.

Sincerely,

Frank C Casillas

FRANK C. CASILLAS
Assistant Secretary Designate
for Employment and Training

Senator COCHRAN. I wonder if you could—this would be for the entire panel to comment on—identify objective criteria by which to evaluate the hard-to-serve, given the many problems they have participating with the JTPA. Is there any way to devise or define the hard-to-serve? It is a problem and I think you made an eloquent statement about how there is a difference, a practical difference in dealing with that segment of our population. How can we get that into the law? Is it just a matter of flexibility and recognizing that there needs to be more flexibility?

Mr. Bannerman first and then I would like to hear what Mr. Boswell and Mr. Wallace might say about it.

Mr. BANNERMAN. Senator Cochran, like many Federal programs I think they continue what I call urban vice in that they are normally designed to deal with what are "inter-city" problems and are generally designed around support structures that are present in big cities in urban areas. I do not think the legislation or maybe to a great degree I think the regulations are sensitive to the kind of people and the kind of problems that we have in many of the rural communities that has been referred to here are constantly in terms of cost structures.

We have seen it in CETA programs as well as JTPA. They are referred to here in terms of administrative cost, they are referred to here in terms of allowances on travel and issue. The same is the problem with the under-served in the sense that the legislation assumes that certain support services are available. I think that flexibility, continuing with the intent of the legislation to provide local input at the State, that carries that emphasis of the legislation, that legislative intent carried to its logical conclusion would allow for flexibility in the design of programs and therefore people at the local level will be able to take into consideration the problems at the local level and put that input into the design of the operation of the programs. We can anticipate no legislation that can anticipate every problem in the world thereby allowing that flexibility at the local level we can build in what had not been anticipated by the legislation or the current regulation. Given the urban bias that has been present in most legislation I think it is critical to the needs of Mississippi.

Senator COCHRAN. You know there was a guy running for President earlier this year, I do not know if he is still in the race or not; it is amazing how many really are not running and they file with the FEC to qualify as a candidate but, anyway, his main point in his platform was to move the capital to Davenport, IA. That was his reason for running for President. Maybe we ought to seriously consider it.

Mr. BANNERMAN. I think Greenville would be a better place, Greenville, MS.

Senator COCHRAN. That does illustrate a problem. I think a lot of people who work on these programs have an urban background and I am not saying just the East, the Washington, DC, area. I do not know if it is a contaminating factor or not. My opponent may say it is contaminating

What is your reaction?

Mr. BOSWELL. Well, I think, Senator, that this is one of the problems that we have uncovered in trying to meld the private and public sectors into a partnership. The private sector approach to everything is on a bottom line results basis; performance is the ultimate and in the input of private sector into this legislation and into its programs naturally it has been emphasized that results were the measure of success or failure of the program. Being from the private sector I would have to support that approach.

However, we have to also recognize that the target groups that we are seeking to serve in this program have divergent needs, and I think that the only way that we can successfully approach this problem is to establish some identification of the hard-to-serve, who they are, define them and then have some different standards. If we are going to stay with the standard approach we have got to recognize that we cannot apply the same standards to every situation and we have to have flexibility within the law to be able to still use the standard guidelines but to adapt the standards to the people that we are trying to serve. And this hard-to-serve group probably needs to be separately defined and separate standards applied.

Senator **Cochran**. Thank you very much Bill, for that insight. Tom Wallace, what is your reaction to that problem?

Mr. **Wallace**. Thank you, Senator.

I feel that the hard-to-serve in Mississippi are probably unique in many ways than any other area because of its geography, for one thing. And I do not think that you can objectively ask for measures one, two, three in Mississippi and expect to get the same results as in other areas.

I think if we allow the State programs to provide the service and allow them the flexibility to make it happen, I think we will get what we are really looking for and not just look for specific objectives.

Senator **Cochran**. If we play the numbers game down here we are going to lose because we do not have the total number of people in the labor force to begin with. And then second, the hard-to-serve make it impossible to come out with the results which are measured in numbers because there is an additional amount of training and assistance that inevitably are going to be needed.

Those are interesting points to make and I think we need to help assure that the degree of flexibility is made a part of the reality of the administration of this program.

Mr. **Boswell**. If I could add one more point, Senator, along that line, in our discussion with employers since we began our planning a little over 1 year ago for the program, we have found that the greatest need in our SDA, although technical skills are needed, some of the greatest needs are employability skill needs, and the employability skill needs are hard to measure as far as applying the standard. This makes it very difficult to meet those basic needs that are necessary before you can start talking about technical skills and placement in jobs. We have a tremendous need for employability skill training like this.

Senator **Cochran**. I think that point was well illustrated when Weyerhaeuser moved its plant in up in the Columbus area. I recall on that project the first building that was constructed on the site was a schoolhouse. In effect that is what it was. It was to provide training in basic employability skills, as you refer to, because there were not enough persons in that area with the kinds of skills needed to begin work in the jobs that were being offered there. Rather than to refuse to come to Mississippi or move into that area they decided that they would bear the cost of providing the training necessary to improve the skill level of the prospective employees and so they did that. And I think by involving the private sector in this overall program, we can learn from experiences like that, from employers who come into this State and who have had to deal with problems they have run into. We can include their experience as a part of this program and make it a more effective program. Those industries who do recognize that they have a responsibility from a business standpoint realize it is good business for them to provide that training but this does illustrate the problem and how serious it can be.

I think this has been an excellent panel and at this point we will have a break in the proceedings. We will have a 15-minute break, and during this time I will be happy to try to deal with any questions from the news media or their representatives.

Let me also remind you that Senator Quayle is due in here about 12:30 at the hearing room. Because of the misconnection in Atlanta he is not here right now.

We will stand in recess for 15 minutes.

[Recess.]

Senator Cochran. We will reconvene the hearing and our fourth panel is going to present testimony on the subject of linking education and training systems. The members of that panel are Elwyn G. Wheat, associate state superintendent of education representing the State Department of Education, specifically the division of vocational and technical education; Thomas A. Bailey, project director, education for employment of the South Panola Consolidated School District of Batesville; and Dr. W.O. Benjamin, president of Itawamba Junior College in Fulton, MS.

It is a pleasure to welcome each of you to the hearing and express our appreciation for your being here. I have copies of statements here which we will make a part of the record in full and ask you to make whatever summary comments you choose from those statements and then we will have an opportunity for a question and answer discussion of your testimony.

Mr. Wheat.

STATEMENT OF ELWYN G. WHEAT, DIVISION OF VOCATIONAL AND TECHNICAL EDUCATION OF THE STATE DEPARTMENT OF EDUCATION, JACKSON, MS; THOMAS A. BAILEY, PROJECT DIRECTOR, EDUCATION FOR EMPLOYMENT OF THE SOUTH PANOLA CONSOLIDATED SCHOOL DISTRICT OF BATESVILLE, MS; AND DR. W.O. BENJAMIN, PRESIDENT, ITAWAMBA JUNIOR COLLEGE, FULTON, MS

Mr. Wheat. Thank you, Senator Cochran.

On behalf of the Mississippi State Board for Vocational-Technical Education we would like to express our appreciation for being asked to testify before this committee on the JTPA system in the State.

As you know, the vocational-technical program in the State is charged with the responsibility of delivering vocational training to all the systems in the State through 140 vo-tech centers. This is done through the junior college and secondary system throughout the State.

We are also a part of the JTPA delivery system and very proud of that connection and very proud of that delivery.

I will briefly comment on three areas of concern that we have in vocational education relating to JTPA and will keep this very brief.

The three areas are:

First. Planning.

Second. Matching requirements.

Third. The unclear intent of the 8-percent set-aside that Congress has added, this 20 percent versus 80 percent, this kind of thing.

On planning, we feel that currently JTPA planning is being done in isolation from tbe existing education and job training programs of the State. Section 103 of the act provides the rules for development of the plan but in reality the employers, business, and industry are being surveyed to excess. The survey system being utilized has become meaningless because of the constant stream of people from all the various agencies and groups, including our own, taking employment surveys trying to justify participation in our particular proposals.

We are recommending that the JTPA be amended to require that the States develop their own official standardized systems of determining training needs and not leave it up to all of the agencies who are trying to justify their own existence.

We feel that identifying an agency such as the Employment Security Commission or others who have expertise in the field of job training and employment needs who would research the data and strengthen that agency and allow them to assist all agencies in employment and training.

We further recommend that JTPA language be amended to require equal and reciprocal coordination by JTPA administration as is currently in the Federal vocational education laws. It is our contention that a systematic and coordinated planning system for all training will better identify a true picture of actual training needs, thus providing valid information for planning and decisionmaking.

The matching requirements, of course, this committee has already heard several comments on the matching requirements within the JTPA system. We feel that the current requirements for matching utilize entirely too much staff time in trying to document matching requirements and it has reached the point where staff could be much better used in other areas providing service to JTPA clients and recipients.

On the 20 percent of the 8 percent, this is the 8-percent set-aside for agencies involved in education and training. We are requesting congressional clarification on the intent of the 20 percent of the 8-percent set-aside described in paragraph (2) of subsection (a), section 123 of the act. The language in the act seems clear enough; however, interpretations in Mississippi vary to the point that the 8-percent funds are being split between two different divisions of State education agencies. A clear and official Federal definition and statement of intent would be helpful to States by preventing dissension among the agencies on interpretation, thereby allowing for better and more constructive coordination of the effort.

In conclusion, our recommendations on all related administrative problems already experienced, we would like to see JTPA clarified and improved to make it a true Federal-State partnership program that allows for the maximum contribution to actual programs to serve the JTPA population. The more administrative time eliminated, the more time there will be for client assistance.

Unless we leave the impression that all things are bad between vocational education and JTPA, what have you, we would call the attention of the committee to the partnership that now exists in the industrial services training program. This is our custom job training program for specific industrial jobs that the State vocational-technical education division operates in true partnership with industry. Although this is a State vocational education program, the working agreements we have with JTPA administrations—PIC's and Governor's office—and the State Employment Security Commission allow us to actually conduct full startup training programs for new and/or expanding industry with JTPA buying into the program for as many eligible people as the employment service will certify. This program, industrial training startup, provides specific job training for new and expanding industry, funding from several sources, including JTPA and involves several agencies, Governor's office of job development and training, employment security commission, State board of economic development, vocational education and all local educational agencies.

This program worked and worked well; it worked because everybody concerned determined that they would put the extra effort into making it work.

The delivery of startup for new and expanding industry training is probably the most difficult kind of training to administer and these agencies put the extra effort into it to see that this program is successful and we would ask this committee look at that as an example of how we can work together.

Senator Cochran. Thank you very much, Mr. Wheat, for your excellent and helpful statement.

[The prepared statement of Mr. Wheat follows:]

TESTIMONY ON PROBLEMS ENCOUNTERED AND SUGGESTIONS FOR CORRECTION PRESENTED TO SENATE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY JTPA

JACKSON, MISSISSIPPI

JULY 12, 1984

by

ELWYN G. WHEAT
ASSOCIATE STATE SUPERINTENDENT
for
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Mr. Chairman and members of the subcommittee, on behalf of the Mississippi State Board for Vocational-Technical Education, I would like to express appreciation for your bringing this hearing to the State of Mississippi and thank you for this opportunity to share our problems and concerns in implementing the Job Training Partnership Act. It is most appropriate that you have come to our state for this purpose, because we have been a leading state in implementing the Act, due primarily to state level agency cooperation. In support of this effort, I am pleased to report that the State Vocational-Technical Education Board has adopted policy that makes the entire public vocational-technical education and training delivery system available to JTPA system for utilization. It was utilization of this system that made it possible for Mississippi to be a leading state in beginning programs for displaced workers during the forward funding of Title III and also to actually begin this first regular program year of JTPA on time.

THREE PROBLEM AREAS OF CONCERN

My brief remarks today relate to three problem areas of concern that are already preventing JTPA becoming all it could and should be toward helping solve the problems of the target populations. These areas are:

(1) Planning
(2) Matching requirements
(3) Unclear congressional intent in the 8% set aside relating to "any state agency,"... and the 20% of the 8% that is designated in the Act for coordination of education and training services for eligible participants through cooperative agreements.

PLANNING

Planning for JTPA is being done in isolation from the already existing education and job training programs of the state. Section 103 of the Act does provide the rules for developing a plan, but in reality, the employers (business and industry) are being "surveyed to excess." The survey system being utilized has become meaningless because of the constant stream of people from all the various agencies and groups taking employment surveys trying to justify their particular proposals.

We are recommending that the JTPA be amended to require that the states develop their own official standardized systems of determining training needs, and not leave it up to all the agencies that are trying to justify their own existence.

We further recommend that JTPA language be amended to require equal and reciprocative coordination by JTPA administration as is required in the federal vocational education laws. It is our contention that a systematic and coordinated planning system for all job training will better identify a true picture of actual training needs, thus providing valid information as a base for planning and decision making.

MATCHING REQUIREMENTS

The matching requirements of JTPA have been met with in-kind contributions to date here in Mississippi; however, the required documentation is requiring an excess of employee work time. We believe that the value of the employee time necessary outweighs the value of the in-kind contributions; therefore, we recommend that the Act be amended to eliminate the matching requirements. The employee time would be a much better investment working directly to improve the services of the JTPA client.

THE 20% OF THE 8%

We are requesting congressional clarification on the intent of the 20% of the 8% set-aside described in paragraph (2) of subsection (a), section 123 of the Act. The language in the Act seems clear enough; however, interpretations in Mississippi vary to the point that the 8% funds are being split between two different divisions of state education. A clear and official federal definition and statement of intent would be helpful to states by preventing dissension among the agencies on intrepretation, thereby allowing for better and more constructive coordinated effort.

In conclusion, our recommendations all relate to administrative problems already experienced. We would like to see JTPA clarified and improved to make it a true federal-state partnership program that allows for the maximum contribution to actual programs to serve the JTPA population. The more administrative time eliminated, the more time there will be for client assistance.

A specific example that I offer to you as a model partnership program is our Mississippi Industrial Training Program. This is our custom job training program for specific industrial jobs that state vocational-technical education operates in true partnership with industry. Although this is a state vocational-technical program, the working agreements we have with JTPA administrations (PIC's and Governor's office), and the State Employment Security Commission allow us to actually conduct full start-up training programs for new and/or expanding industry with JTPA buying into the program for as many eligible people as the Employment Service will certify and industry will accept. We are training and placing several thousand people in this program annually and the percentage of JTPA eligible is steadily increasing.

The industrial training program has proven to industry that selected JTPA eligible people can learn and be productive if properly trained, motivated, and given an opportunity.

Senator COCHRAN. Mr. Bailey.

Mr. BAILEY. Senator Cochran, I bring a variety of experience in my testimony. I have been a teacher, a counselor, a school principal and presently I am a JTPA project administrator. This past year I served on the performance-based school assessment task force that developed the competency-based system by which schools would be accredited within this State. I really see how the Job Training Partnership Act activities can be incorporated into the educational system, especially with the performance-based system that we are developing.

I would like also to express my support of this legislation. Several years ago I testified before a hearing in Memphis that the National Commission had and went away feeling that no one listened. Until their report came out, I thought the testimonies were all in vain. I now feel everything that was said was heard and is reflected in this act.

Educators are hampered by a lack of funds to develop programs for the whole population. A large segment of our school-age population is lost, either by dropout or because of the sheer numbers that must be served. There is often a shotgun approach to learning and instruction which cannot meet the particular needs of the disadvantaged.

As a result of the Education Reform Act of 1982, this State is working toward implementing a performance-based system of education by which schools will be accredited. This, along with public school kindergartens, compulsory attendance, and an instructional management system should bring about a public school system that others will want to model.

The philosophy of the Job Training Partnership Act is consistent with the philosophy of the Education Reform Act in this State. The Education Reform Act mandates that competencies be developed where the success is measured in successful outcomes. The Job Training Partnership Act emphasizes basic skills and employability skills and recognizes youth competencies.

Of particular significance in this act is the recognition of 14- and 15-year-olds. These junior high-aged disadvantaged youth comprise our greatest dropout group. There is a critical need for activities like the ones provided for in the preemployment skills component for this age group. This will assist in keeping these students in school and prevent the 59-percent dropout rate that is plaguing this State.

Presently our school system is operating an education for employment program for school dropouts and a pre-employment skills program for junior high-age students. The South Panola Consolidated School District is typical of most of the school districts in this State. A large percentage of our student population is disadvantaged and it has about a 50-percent black and white population and about the same dropout rate as the rest of the State.

As noted, the junior high years are the critical ones and the time when students become dropouts. Some of the reasons for dropping out that are heard frequently are: Pregnancy, poor basic educational competencies, poor life-coping skills, behavior problems, family problems, and becoming status offenders.

Our preemployment skills program is offered at the junior high for eligible 14- and 15-year-olds. The goal of the program is to assist in improving motivation for both education and work. I have heard that over and over today. When we surveyed industry, the employers said to send them someone who wants to work, who has the right attitude about work, and they will teach them how to do the job.

The results produced when prepost test scores were compared revealed better attitudes toward school and work; greater self-esteem; greater career awareness, and the acquisition of jobseeking and jobholding skills.

The education for employment program at the high school serves dropout youth who are income eligible. The program operates on an individualized, competency-based instructional concept. We embrace the philosophy of nurturing and improving the whole person with regard to enhancing employability. In addition, we have just implemented a tryout employment component which our community is endorsing. We have had great success with the few students who have been placed thus far.

The main thrust of our program is tripartite:

One, the improvement of academic competencies—this includes the GED program;

Two, the improvement of general competencies such as communication and employability skills; and

Three, the improvement of affective competencies so that students will be motivated toward work and education.

Experience has shown us that recruitment, the operation of training programs, and the transition of the participants from the classroom to actual work experience are more successful at a local level. This allows the target population to be a part of a school environment conducive not only to becoming job trained but also to being educated for an appreciation and enrichment of life. This design embraces the philosophy of nurturing and ministering to the total person within the normal home and school environment.

Having completed the training, participants can successfully enter the work force and be gainfully employed.

All of the above is incorporated into the exemplary youth area of the Job Training Partnership Act. I would like to applaud Senator Quayle in his efforts to improve the employability of our Nation's youth population. The entire effort devoted to youth activities is to be commended but there are some specific components that I think need to be studied more closely.

The first one is in the area of youth competencies. Many of the activities suggested under exemplary youth deal with or emphasizes the affective domain. I heard Mr. Boswell respond to that just a few minutes ago. The affective domain of learning is a very difficult area to evaluate objectively. The people on the performance based task force avoided the affective domain. The law did not mandate that the task force incorporate the affective area into our system.

Second, the JTPA recognizes that outcomes of a youth program can be measured by standards other than obtaining a job. The development and use of youth competencies as measurable program outcomes should be reinforced from the national level.

The third component, tryout employment, is a means of developing a partnership with business and industry. JTPA recognizes that a youth program can be effective only if all the components are present: The cognitive, the affective, and the psychomotor. It is logical and educationally sound to work on cognitive and affective skills first, then psychomotor or tryout employment second and third.

The way the act reads now, programs are supposed to have tryout employment simultaneously with other components. We see tryout employment as a reward that one receives after affective and educational goals are attained. However, if we interpret the act correctly, this cannot be done at this time.

Another thing that I would like to recommend is that we have increased funding for youth activities. If time permitted, I could share with you many case studies of successes and failures; however, I would prefer to share the successes. Another concern is that the 14- and 15-year-old group should be targeted to be kept to be kept in school and prevented from dropping out.

I would think that when priorities are set up in the future, the youth area would be one of the highest priorities.

Thank you.

Senator **Cochran**.

Thank you very much, Mr. Bailey.

[The prepared statement of Mr. Bailey follows:]

TESTIMONY OF THOMAS A. BAILEY

Senator Quayle, Senator Cochran, I am Thomas Bailey and I am delighted to be able to share with you some opinions about the Exemplary Youth Area of the Job Training Partnership Act. I speak as a citizen, teacher, counselor, former Performance-Based School Assessment Task Force member, and a JTPA project administrator.

I would like to take this opportunity to express my support of this legislation. Apparently the authors of this act were greatly influenced by the National Commission for Employment Policy's Fifth Annual Report "Expanding Employment Opportunities for Disadvantaged Youth"--and other research that is relevant to training programs for the disadvantaged.

We in education are hampered by a lack of funds to develop programs for all the population we must educate. A large segment of our school age population is lost, either by dropout or because of the sheer numbers schools must serve. There is often a shotgun approach to learning and instruction which cannot meet the particular needs of the disadvantaged. As a result of the Education Reform Act of 1982, this state is working toward implementing a performance-based system of education by which schools will be accredited. This, along with public school kindergartens, compulsory attendance and an instructional management system should bring about a public school system that others will want to model.

The philosophy of the JTPA is consistent with the philosophy of the Education Reform Act in this state. The Act mandates that competencies be developed where the success is measured in successful outcomes. The Act emphasizes basic skills and employability skills.

Of particular significance in this act is the recognition of 14-15 year-olds. These junior high-aged disadvantaged youths comprise our greatest dropout group. There is a critical need for activities like the ones provided for in the pre-employment skills component for this age group. This will assist in keeping students in school and to prevent the 59 percent dropout rate plaguing this state.

Presently our school system is operating an "Education for Employment" program for school dropouts and a "Pre-Employment Skills" program for junior high school students. The South Panola Consolidated School District is typical of most school districts all over this state; rural, a large percentage of disadvantaged youths, 50 percent black and 50 percent white population, a dropout rate that reflects the state dropout rate, and few resources with which to develop programs for the disadvantaged.

As noted before, the junior high years are critical years and the time when students become dropouts. Some of the conditions that cause this are: (1) pregnancy; (2) poor basic educational competencies; (3) poor life-coping skills; (4) behavior problems; (5) family problems; and (6) becoming offenders. Our pre-employment skills program is offered at the junior high school for eligible 14 and 15 year-olds. The goal of the program is to assist in improving motivation for both education and work. The results it produces when pre-post gains are compared are: (1) better attitudes toward school and work; (2) greater self-esteem; (3) greater career awareness; and (4) acquisition of job seeking and holding skills.

The Education for Employment program is conducted in the high school. The program brings dropouts back into school and provides them with GED instruction. The program operates on an individualized, competency-based instructional concept. Education for Employment embraces the philosophy of

NURTURING AND IMPROVING THE WHOLE PERSON WITH REGARDS TO ENHANCING EMPLOYABILITY. A TRY-OUT EMPLOYMENT COMPONENT HAS ALSO JUST BEEN IMPLEMENTED WITH THIS PROGRAM.

THE MAIN THRUST OF OUR TWO PROGRAMS IS TRIPARTITE: (1) TO IMPROVE ACADEMIC COMPETENCIES; (2) TO IMPROVE GENERAL COMPETENCIES SUCH AS COMMUNICATION AND EMPLOYABILITY SKILLS WHICH ARE NECESSARY TO BECOMING GAINFULLY EMPLOYED; AND (3) TO IMPROVE AFFECTIVE COMPETENCIES TO BECOME MOTIVATED FOR EDUCATION AND WORK. EXPERIENCE HAS SHOWN US THAT RECRUITMENT, THE OPERATION OF TRAINING PROGRAMS, AND THE TRANSITION OF PARTICIPANTS FROM THE CLASSROOM TO ACTUAL WORK EXPERIENCE IS MORE SUCCESSFUL AT THE LOCAL LEVEL. THIS ALLOWS THE TARGET POPULATION TO BE A PART OF A SCHOOL ENVIRONMENT CONDUCIVE NOT ONLY TO BECOMING JOB TRAINED BUT ALSO TO BEING EDUCATED FOR AN APPRECIATION AND ENRICHMENT OF LIFE. THIS DESIGN EMBRACES THE PHILOSOPHY OF NURTURING AND MINISTERING TO THE TOTAL PERSON WITHIN THE NORMAL HOME AND SCHOOL ENVIRONMENT. ONCE HAVING COMPLETED THE TRAINING, PARTICIPANTS CAN SUCCESSFULLY ENTER THE WORK FORCE AND BE GAINFULLY EMPLOYED.

ALL OF THE ABOVE IS INCORPORATED IN THE JOB TRAINING PARTNERSHIP ACT IN ITS PROGRAMS FOR YOUTH. SENATOR QUAYLE, YOUR EFFORTS AS AN ADVOCATE FOR OUR NATION'S YOUTH POPULATION ARE APPRECIATED AND SUPPORTED. WHILE THE ENTIRE EFFORT DEVOTED TO YOUTH ACTIVITIES IS TO BE COMMENDED, THERE ARE COMPONENTS UNDER THE YOUTH PROGRAM WHICH I FEEL ARE DESERVING OF SPECIFIC SUPPORT.

YOUTH COMPETENCIES - MUCH OF THE ACTIVITY SUGGESTED UNDER EXEMPLARY YOUTH DEALS WITH OR EMPHASIZES THE AFFECTIVE DOMAIN. IT IS SIGNIFICANT THAT THE

JTPA recognizes that outcomes of a youth program can be measured by standards other than that of obtaining a job. The development and use of youth competencies as measurable program outcomes should be reinforced.

Try-Out Employment - JTPA also recognizes that a youth program can be effective only if all components - cognitive, affective and psychomotor - are included. It is logical and educationally sound to work on cognitive and affective skills first with psychomotor skills (try-out employment) coming after completion of the other two. This would serve as a motivator and a reward.

Increased Funds for Youth Activities - Finally, if time permitted, I could share many case studies of our participants. There is such a need among the 14-15 year-olds to help them cope with life and to improve their basic skills so that they will stay in school. At the same time, there is a critical need among our 16-21 year-old dropouts. Senator Quayle, your foresight in recognizing both these critical needs is applauded. However, those of us attempting to address these needs on a local level have few other sources of money to supplement JTPA funds. Funding could be increased for these critical targeted groups.

Senator COCHRAN. Dr. Benjamin, welcome to the hearing.

Dr. BENJAMIN. Thank you Senator Cochran.

I would like to add my appreciation to you and the committee for coming to Mississippi for this hearing and inviting me to appear.

Those of us who have been involved with employment and training for many years see the Job Training Partnership Act as a true partnership between public sector, and the private sector and it is working.

The points that I had planned to cover I think have been covered by at least one individual. I have five areas:

First, administrative limitations.

Second, matching requirements.

Third, I call equity versus efficiency and this has to do with access to the training programs on the part of the hard-to-serve.

Fourth, need base payments.

Fifth, upgrading.

Rather than to present the paper that I have prepared let me just summarize briefly from these areas with your approval, sir.

Under administrative limitations, speaking for the junior colleges, we have and will continue to provide inkind services in the way of administrative supervision, facilities, and other kinds of inservice assistance. As you have already heard, these things are hard to document and are very costly in staff time. It would be very difficult for the institutions to come up with the dollar match for these programs. We recommend, as it has been recommended before, that instead of having so many different titles—some of the junior colleges have as many as five different contracts that require different trackings—funds should be allocated to the States in block grants. This would help quite a bit with the drain on the administrative funds.

In addition, we would like to recommend that the administrative cost be raised to 20 percent from the 15 percent

Under the equity and efficiency section, because the measure of success of the training program is based on placement and costs, program operators tend to select those for training who are most capable and who can readily acquire new skills. This automatically limits a large number of hardcore disadvantaged.

Eventually this will have a cumulative effect so that a large portion of our hardcore unemployed will not be served. Now, if we try to rectify this situation and include a larger proportion of the hardcore unemployed, we feel that it is extremely important that Congress and the people who will be evaluating our program understand that the performance standards of placement and low-cost training will have to be altered. That as these people participate our placement may not be as good and our cost of the training programs may increase.

Another area, under needs-based payments, as has been pointed out, Mississippi is a rural State. In one junior college district some potential clients would have to travel 50 miles to get to a training program. This would make a round trip of 100 miles per day. This is a cost that has to be borne by the participants if a needs-based assessment cannot be provided for these individuals, so we recommend that the law allow us the flexibility to increase work cost in the participant support category without being penalized under the performance standards.

We had the upgrade in training mentioned earlier. Upgrading under JTPA is difficult to implement since those employed do not meet positive quidelines. However, there is a definite need for training individuals in new technology skills. Therefore we recommend allowing upgrade training for nondisadvantaged individuals with the stipulation that backfilling of their previous positions be made by a JTPA participant. This would promote economic development and would allow job opportunities for JTPA eligibles.

Let me stress that we do not feel that these are obstacles that cannot be overcome. Also, there are positive aspects of JTPA which far outweigh the negative. Most importantly, JTPA has put people to work. It has allowed individuals to receive training and to obtain jobs providing them with economic independence and restoring their self worth.

In closing I would like to say that the public junior colleges in Mississippi are participating in JTPA because we feel this a way for us to provide service and we feel that it is our responsibility to be involved in training programs. We certainly enjoy a good working relationship with the service delivery areas of the State, the Governor's office of job development and training, the vocational division of the State department of education and the employment service. We continue to pledge our support and resources to the Job Training Partnership Act.

Thank you very much for your attention to our concerns.

Senator **Cochran**. Thank you very much Mr. Benjamin for your excellent presentation and summary of suggestions that you made for the furthering of this program and to making it more helpful to those of us who are so concerned with improving Mississippi's training program.

[The prepared statement of Mr. Benjamin follows:]

TESTIMONY OF
DR. W. O. BENJAMIN, PRESIDENT

ITAWAMBA JUNIOR COLLEGE

AT SENATE COMMITTEE FOR LABOR AND HUMAN SERVICES,
SUB-COMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
JACKSON, MISSISSIPPI
JULY 12, 1984

SENATOR QUAYLE, SENATOR COCHRAN, AND OTHER DISTINGUISHED COMMITTEE MEMBERS, I AM W. O. BENJAMIN, PRESIDENT OF ITAWAMBA JUNIOR COLLEGE IN FULTON, MISSISSIPPI. I AM A MEMBER OF THE STATE JOB TRAINING COORDINATING COUNCIL, AND IMMEDIATE PAST CHAIRMAN OF THE MISSISSIPPI PUBLIC JUNIOR COLLEGE ASSOCIATION. I AM HERE TODAY TO PRESENT THE JUNIOR COLLEGE PERSPECTIVE OF THE JOB TRAINING PARTNERSHIP ACT IN MISSISSIPPI.

THOSE OF US, WHO HAVE BEEN INVOLVED WITH EMPLOYMENT AND TRAINING FOR MANY YEARS, FEEL THAT JTPA'S PARTNERSHIP WITH THE PRIVATE SECTOR AND INVOLVEMENT WITH THE PUBLIC SECTOR DISTINGUISHES IT FROM ANY PAST EMPLOYMENT AND TRAINING LEGISLATION. WE HAVE FOUND THE PRIVATE SECTOR TO BE EQUAL PARTNERS WITH LOCAL ELECTED OFFICIALS IN PLANNING AND ADMINISTERING JOB TRAINING PROGRAMS. WE REALIZE THAT EMPLOYERS, NOT GOVERNMENT, ARE THE PRIME MOVERS IN THE NATIONAL LABOR MARKET FUNCTION. THROUGH THEIR INVOLVEMENT, MEMBERS OF THE BUSINESS COMMUNITY HAVE GIVEN US INSIGHT INTO THE PRIVATE SECTOR, AND PROVIDED INNOVATIVE IDEAS FOR TRAINING PROGRAMS. THE EVOLUTION OF THE PUBLIC/PRIVATE PARTNERSHIP HAS CLEARLY CONTRIBUTED TOWARD THE SUCCESS OF JTPA IN OUR STATE.

IT IS MY UNDERSTANDING THAT YOU ARE HERE TODAY TO DETERMINE IF THE LONG TERM GOALS OF JTPA CAN BE ACHIEVED. BASED ON OUR 9-MONTH INVOLVEMENT WITH JTPA, WE FEEL VERY POSITIVE THAT WE WILL MEET THESE GOALS. HOWEVER, WE REALIZE, AS SURELY YOU MUST REALIZE, THAT THIS IS A NEW PROGRAM AND THERE IS ROOM FOR IMPROVEMENT. FOR EXAMPLE:

(1) ADMINISTRATIVE LIMITATIONS

I FEEL THE ADMINISTRATIVE LIMITATIONS ARE BINDING AND DO NOT ALLOW US TO EFFICIENTLY MEET PROGRAM NEEDS. THE 15% CEILING ON ADMINISTRATION DOES NOT PROVIDE SUFFICIENT FUNDS TO COVER THE COST OF STAFF SUPPORT, COORDINATION AND OVERSIGHT, MONITORING, AND EVALUATION, WHICH ARE NECESSARY TO EFFECTIVELY ADMINISTER PROGRAMS. I WOULD LIKE TO RECOMMEND THAT A TRUE BLOCK GRANT APPROACH BE INITIATED UNDER JTPA. FROM THE EDUCATIONAL PERSPECTIVE, BLOCK GRANTS WOULD BE LESS DIFFICULT TO ADMINISTER. THE CURRENT JTPA SYSTEM IS TOO SPECIFICALLY DEFINED MAKING SUPERVISION AND TRACKING OF THE VARIOUS FUNDING SOURCES DIFFICULT. SOME OF THE JUNIOR COLLEGES ADMINISTER AS MANY AS FIVE CONTRACTS, TITLE II-A, II-B, 3%, 8%, AND TITLE III, EACH REQUIRING DIFFERENT REPORTING SYSTEMS, AND SEPARATE AUDITS AND ACCOUNTABILITY. ONE BLOCK GRANT FOR JTPA TO THE GOVERNOR, WOULD STREAMLINE PROGRAM OPERATIONS, ACCOUNTABILITY OF FUNDS AND MONITORING. IF FUNDS ARE PROVIDED FOR A BLOCK GRANT APPROACH, CERTAIN PERCENTAGES COULD BE SPECIFIED FOR PARTICULAR TARGET GROUPS OF ECONOMICALLY DISADVANTAGED, DISLOCATED WORKERS, SUMMER YOUTH, AND OLDER WORKERS. IF JTPA CANNOT HAVE A TRUE BLOCK GRANT APPROACH, I WOULD RECOMMEND THAT ADMINISTRATIVE COSTS IN JTPA BE RAISED TO 20%.

(2) MATCHING REQUIREMENTS

THE LAW REQUIRES A DOLLAR FOR DOLLAR MATCH FOR 8%. IN ADDITION, TITLE III DISLOCATED WORKER PROGRAMS REQUIRES MATCHING FUNDS. WE REALIZE THE INTENT WAS TO ENCOURAGE STATE AND LOCAL EDUCATION AGENCIES TO BUDGET FUNDS TO SUPPORT THE ACTIVITIES OPERATED UNDER JTPA. HOWEVER, SCHOOL BUDGETS ARE ALREADY STRAINED AND REQUIRING US TO PROVIDE ADDITIONAL FUNDS TO MEET MATCHING REQUIREMENTS PLACES A HUGE BURDEN ON OUR SYSTEMS. ALTHOUGH THE LOCAL JUNIOR COLLEGES ARE PROVIDING IN-KIND CONTRIBUTIONS TO JTPA PROGRAMS IN THE FORM OF STAFF, FACILITIES, EQUIPMENT, AND OTHER INDIRECT COSTS, WE HAVE FOUND IT EXTREMELY DIFFICULT TO DOCUMENT THESE CONTRIBUTIONS TO INSURE ACCOUNTABLE RECORDS FOR AUDITS. DOCUMENTATION REQUIREMENTS CREATE A PAPERWORK BURDEN AND DRAIN ON STAFF TIME. I RECOMMEND THAT THE MATCHING REQUIREMENTS BE ELIMINATED.

(3) EQUITY VS. EFFICIENCY

BECAUSE THE SOLE MEASURE AND SUCCESS OF THE PROGRAM ARE BASED ON PLACEMENTS, THIS NECESSITATES THAT PROGRAM OPERATORS SELECT THOSE FOR TRAINING WHO ARE MOST CAPABLE AND WHO CAN READILY ACQUIRE NEW SKILLS. THIS AUTOMATICALLY LIMITS A LARGE NUMBER OF HARDCORE DISADVANTAGED FROM PARTICIPATING. EVENTUALLY, THIS WILL HAVE A CUMULATIVE EFFECT SO THAT A LARGE PORTION OF OUR HARD CORE UNEMPLOYED WILL NOT BE SERVED. WE FEEL IT IS IMPORTANT THAT CONGRESS RECOGNIZE THE DIFFICULTY FOR US TO MEET PERFORMANCE STANDARDS OF PLACEMENTS AND LOW-COST TRAINING WHILE AT THE SAME TIME SERVING THOSE MOST IN NEED.

(4) NEEDS BASED PAYMENTS

MISSISSIPPI IS A RURAL STATE, SERVING INDIVIDUALS FROM RURAL AREAS. THERE IS A SCARCITY OF TRAINING FACILITIES IN RURAL COMMUNITIES. CLIENTS FROM THESE AREAS MUST OVERCOME MANY OBSTACLES IN ORDER TO

RECEIVE TRAINING. SEVERAL EXAMPLES: IN OUR DISTRICT SOME ELIGIBLE INDIVIDUALS LIVE 50 MILES FROM THE COLLEGE, AND, THEREFORE, WOULD HAVE TO MAKE A 100 MILE ROUND TRIP EACH DAY IN ORDER TO ATTEND TRAINING. THIS IS NOT AN UNUSUAL CIRCUMSTANCE FOR PARTICIPANTS IN OTHER JUNIOR COLLEGE DISTRICTS IN THE STATE AS WELL. ALSO, MANY PARTICIPANTS HAVE CHILDREN BUT CHILD CARE FACILITIES IN MISSISSIPPI ARE INADEQUATE, AND VIRTUALLY NON-EXISTENT IN RURAL AREAS. BECAUSE MISSISSIPPI HAS THE LOWEST ADC PAYMENT IN THE NATION, ADC PAYMENTS COUPLED WITH A CHILD CARE ALLOWANCE AND TRAVEL ASSISTANCE ARE NOT SUFFICIENT TO COVER PARTICIPANT NEEDS. THEREFORE, WE RECOMMEND THAT THE LAW ALLOW US THE FLEXIBILITY TO INCREASE COSTS IN THE PARTICIPANT SUPPORT CATEGORY, WITHOUT BEING PENALIZED UNDER PERFORMANCE STANDARDS.

(5) UPGRADING

UPGRADING UNDER JTPA IS DIFFICULT TO IMPLEMENT SINCE THOSE EMPLOYED DO NOT MEET POVERTY GUIDELINES. HOWEVER, THERE IS A DEFINITE NEED FOR TRAINING INDIVIDUALS IN NEW TECHNOLOGY SKILLS. THEREFORE, WE RECOMMEND ALLOWING UPGRADE TRAINING FOR NON-DISADVANTAGED INDIVIDUALS, WITH THE STIPULATION THAT BACK FILLING OF THEIR PREVIOUS POSITIONS BE MADE BY A JTPA PARTICIPANT. THIS WOULD ALLOW MORE JOB OPPORTUNITIES FOR JTPA ELIGIBLES.

LET ME STRESS THAT WE DO NOT FEEL THESE ARE OBSTACLES THAT CANNOT BE OVER COME. ALSO, THERE ARE POSITIVE ASPECTS OF JTPA WHICH FAR OUTWEIGH THE NEGATIVE. MOST IMPORTANTLY, JTPA HAS PUT PEOPLE TO WORK. IT HAS ALLOWED INDIVIDUALS TO RECEIVE TRAINING AND OBTAIN JOBS, PROVIDING THEM WITH EOCONOMIC INDEPENDENCE AND RESTORING THEIR SELF WORTH. REMOVING THESE INDIVIDUALS FROM GOVERNMENT SUBSIDIES MAKES THEM PRODUCTIVE CITIZENS AND STIMULATES THE ECONOMY.

In closing, I would like to say that the Public Junior Colleges in Mississippi are participating in JTPA because we feel it is our role to be involved in training programs. We have certainly enjoyed a good relationship with the Service Delivery Areas and the Governor's Office of Job Development and Training. We will continue to pledge our support and resources to the Job Training Partnership Act.

Thank you for your attention to our concerns, we believe the incorporation of our specific recommendations in your final report will certainly aid you in determining the relevancy of JTPA.

Senator **Cochran**. I notice in the presentation of Elwyn Wheat he mentioned the problem of overdoing surveys of employers, that they are being surveyed to excess. Is there a requirement in this law that there be a survey or are these surveys being undertaken by others in other programs or what can be done about that?

Mr. **Wheat**. The surveys are required for justification of projects and followups and this kind of thing. We feel that all of the agencies are doing that, including our agency, vo-tech division. We feel that this would be better served by identifying one agency to develop the job, such as the employment security commission. And since their role is to do that, make that contact, we feel like the industries would not be overburdened with requests for information. We are beginning to see industries closing their doors to requests for information on training and this kind of thing. We hope this is not a trend but it is beginning to happen, saying you are taking up too much time.

Senator **Cochran**. I think there have been others who have suggested, as you, that there be an elimination of matching requirements; that there is a readiness and willingness to contribute resources to the program and help administer it. Everybody agrees that there is a willingness to do that.

How would you change that requirement to ensure participation and contribution but not specify or value a dollar amount equivalent that needs to be contributed?

Mr. **Wheat**. Senator, simply a documentation saying that you will provide administration or equipment or facilities, this kind of thing that would be available for a JTPA program would be a simple solution to it rather than taking the audit responsibility and saying now prove how much this building cost and how much per square foot of the building you are using, how much utilities out of that building are being used. It comes down to the point where if you use, say in a vo-tech center, a lab and your utilities of any kind matching, then we have to put, or the auditor would like to see an extra meter on that particular lab to measure the utilities, which is a bit ridiculous as trying to prove what you are doing there.

I think that everybody will acknowledge in this State there is a great contribution from local schools, other agencies, Vo-Tech Division included, making a contribution to the training of the JTPA eligible population. And I think that a simple documentation that this is being done rather than an audit proof of cost and this kind of thing would be very helpful.

Senator **Cochran**. Sounds like a good suggestion to me. Do you support that?

Dr. **Benjamin**. Yes; I think another way to get around it would be in order for an agency to operate a training program, certain things must be provided, obviously. And you have to have a building, you have to have utilities. You have to have administrative functions over and beyond the people who are actually running the program, so it seems to me that you have a stipulation that these things must be provided, period.

Senator **Cochran**. I was interested in your description of your education for employment program at South Panola. Is this a program that is being undertaken in other schools around Mississippi or is this a unique program that you have developed there at your school district.

Mr. BAILEY. Someone from the MSDA would probably have to tell you if there are other programs in the State. But I believe in November there were other funds that were available and they were earmarked for programs for dropouts, and specifically working on GED preparations. And when I look at it rather than just working on the common activity in the five areas that you must, the five instructional areas that is necessary to pass a GED, we worked on some other skills too. We added a tried employment as a motivator and we added the effective education. Someone here, Wanda Land or someone could probably tell you if there is another one in the State, but the dropouts are there and if you consider—we have some statistics and we look at last year's—year before last, 1983 seniors, from the time that class entered the first grade there was a 60-percent dropout rate.

VOICE. There is another one, the south GED training and development district that is operating in another program similar to that one.

Senator COCHRAN. Thank you very much. It certainly sounds like an important new program that I hope is supported around the State.

I think there is no question but that this kind of program is going to prove to be beneficial if it can be integrated into the curriculum of a lot of our students. It sounds like a very good idea.

I think your suggestions for administrative improvements in the program, and funding requirements, and special needs that we have here in Mississippi are just excellent and will contribute greatly to the record that we are making here in this first hearing.

Thank you very much for participating. We are going to reauthorize the Vocational-Education Act, too.

Our fifth and final panel for our hearing this morning will discuss beneficiaries, programs, participants and employers and will include Paul Latture, executive vice president of the Jackson Chamber of Commerce and Warren T. Cunningham, who is administrative manager of Hughes Aircraft Mississippi, Inc.

We invited another person to be here and she is not here. Let me say that Mrs. Martha Jean Grace who was invited to be a witness has submitted testimony as a former welfare recipient and a beneficiary and participant in the on-the-job training program under JTPA and we will make her testimony a part of the record at this point.

[The prepared statement of Mrs. Grace follows:]

TESTIMONY OF MS. MARTHA JEAN GRACE

Senator Quayle, Senator Cochran, other distinguished guests. I am Martha Jean Grace, an employee of Simpson Dura-Vent Company and a prior Job Training Partnership Act Participant. On May 23, 1983, I was placed in an On-the-Job Training slot at Simpson Dura-Vent. I successfully completed the 800 hour training period and was retained in unsubsidized employment.

Before my current job with the Simpson Dura-Vent Company, Inc., I worked at Kuhn Memorial Hospital as a nurse aide at approximately $480 per month net pay. I was laid off at the hospital and did not work for some 21 months before finding this job with Simpson Dura-Vent. I was receiving food stamps and AFDC payments for my two children, Fredrick who is 9 years old and Natasha who is 6 years old. When I first started to work, I had to ride to work with co-workers, but I now have my 1969 Pontiac repaired. I have missed some work because of minor breakdowns. I still live at 2514 Franklin Street along with my mother and my two children. My mother, Ms. Lee Bertha Ware, keeps my two children while I am working. I have worked on several different machines here at Simpson Dura-Vent. I have operated the seamer, the dinker, the swagger, the rivet machine, the notcher, and the lock former to make vent pipes. I have also worked on the kit line packing various size pipes and fittings into boxes to make up kits.

I start to work at 7 o'clock and get off at 3:30 o'clock. We get a break in the morning and one in the afternoon. My lunch period is from 11:30 o'clock to 12 noon. We do have to bring our lunch. Simpson Dura-Vent does have a lunchroom with vending machines, soft drinks, canned foods, snack foods, coffee vender, microwave oven, change machine; and we have a telephone to use during breaks and at lunch time.

You ask me if I thought the OJT program had benefited me. Well, I think it has. Because of my job, I feel better about myself. My attitude is more positive, and I have a little extra money to buy things with. I am not receiving welfare, and I feel that I am more independent. I feel I am liberated and on my own. I also have made new friends and gained the respect of my neighbors. Here (at Simpson Dura-Vent) I get along good with my supervisors, and I have learned to accept responsibility.

R-A

Senator COCHRAN. We will ask Mr. Latture if he will proceed. We have copies of your statement which we will incorporate into the record in full and invite you to make any summary comments that you wish to make at this time.

STATEMENT OF PAUL LATTURE, JR., EXECUTIVE VICE PRESIDENT, JACKSON, MS, CHAMBER OF COMMERCE; AND WARREN T. CUNNINGHAM, ADMINISTRATIVE MANAGER, HUGHES AIRCRAFT MISSISSIPPI, INC.

Mr. LATTURE. Thank you, Senator Cochran.

I appreciate the chance to be here. I am a volunteer on the private industry council on the JTPA hearing, the service delivery area that comprises the city of Jackson and the city of Clinton and Rankin County.

I think our involvement with private industry council is showing results. I commend you and the other members of the committee and Congress for giving us an opportunity to have such a good program to show some results.

The things I can tell you I can tell you only through a volunteer's aspect, not necessarily through the regulations that we have heard, but I would say that the couple of problems that I have noted as a volunteer are the lack of thorough guidelines and thorough directions coming from either the Department of Labor or coming through the State, which gives us as volunteers on the council unrealistic timeframes to work in. Sometimes they are very short.

The second area I would point out as a problem and maybe it is diametrically opposed to some of the testimony that you have heard before but it seems to us as volunteers anyway, that the percent of youth to be served seems to be quite high. I recognize the need but we in the Jackson area have taken the attitude that there is an awful lot of unemployment and an awful lot of disadvantaged folks out there that we need to put in jobs and get trained for jobs as family members and family heads.

A clear, more concise set of guidelines would reduce the timeframes involved, would define the State's role in auditing. We heard some of that in the last panel.

We find in the area of youth that the employers have not been very receptive in hiring these. If we are working on junior high and early high school youth to try to get them involved in the job market almost immediately, the need to show placements tends to deteriorate from the placement rates that we have.

We also heard mentioned the problem that I would note as the lack of stipends or allowances which tends to reduce the number of participants that we have in.

Our program has had a 61-percent rate for adults at an average of $4.25 an hour. The youth placement rate has been a little bit less at 58 percent, and significantly less than we had planned, which is about 15 percent less than we had planned, which I think attests to the dilemma that I am alluding to.

Our urban area is rapidly growing and our service delivery area causes us some problems. As a volunteer and professionally working with the chamber we find this is an excellent program. We targeted the OJT as a good part of, the best part of the program and a bulk of the program. But a lot of our growth is going on in areas where we promote the growth but the training is done through other agencies because they are not in the service delivery area. And I would recommend that the metropolitan area of Jackson and most other large cities be the service delivery areas dictated by the law rather than by local officers. We have been very active in marketing the program, very active in using it in our industrial development efforts with some success. We have had the FANTUS Report, which I think you are probably familiar with, funded partially by the PIC to be used as an industrial development tool. We have 43 businesses currently involved in OJT and, as I say, we have targeted that as a major area. And I am convinced the flexibility offered by the OJT on job training is probably the brightest spot of the program.

I appreciate very much the chance to be here and I commend you and the other members of the committee for giving us the opportunity in creating a law that really is a partnership and really is working.

Senator COCHRAN. Thank you very much Mr. Latture, for your contribution to the hearing.

[The prepared statement of Mr. Latture follows:]

STATEMENTS BY PAUL LATTURE, JR.
Executive Vice President
Jackson Chamber of Commerce
Subcommittee on Employment and Productivity
Job Training and Partnership Act (JTPA)

Mr. Chairman, Senator Cochran, and other members of the Subcommittee, thank you for this opportunity to appear before you. My comments today will cover both the accomplishments we've made under the Job Training and Partnership Act and some of the problems experienced relative to our accomplishments in the transition phase of the program.

The transition from the Comprehensive Employment Training Act to the Job Training and Partnership Act system has been quite challenging; but thanks to cooperation between our Private Industry Council and the chief elected officials in our Service Delivery Area comprising Jackson, Clinton, and Rankin County, I am convinced that we are on the right course.

The difficulties experienced by our Private Industry Council are similar to those experienced by most Service Delivery Areas

THROUGHOUT THE NATION. SOME OF THE DIFFICULTIES EXPERIENCED DURING THIS TRANSITION PERIOD ARE 1) LACK OF THOROUGH DIRECTIONS FROM THE DEPARTMENT OF LABOR RELATIVE TO PROGRAM IMPLEMENTATION COUPLED WITH UNREALISTICALLY SHORT TIME FRAMES IN WHICH TO PLAN AND ACT, AND 2) LACK OF DIRECTIONS IN HELPING TO LOWER THE EXCESSIVELY HIGH PERCENTAGE OF YOUTHS TO BE SERVED VERSUS PLACEMENT INTO UNSUBSIDIZED EMPLOYMENT. THE PRIVATE INDUSTRY COUNCIL DOES NOT FEEL THAT DOL SHOULD PLAY THE TYPE OF TECHNICAL ASSISTANCE ROLE EXPERIENCED UNDER CETA. HOWEVER, I DO FEEL THAT SOUND GUIDELINES SHOULD BE DEVELOPED TO ASSURE THOROUGH MONITORING AND AUDITING PROCEDURES FROM THE STATE OFFICE ONTO LOCAL SERVICE DELIVERY AREAS. THE WORST MISTAKE A STATE COULD MAKE WOULD BE TO REPLACE AN OVER-REGULATED FEDERAL APPROACH TO MANAGEMENT WITH AN OVER-REGULATED STATE APPROACH.

I FURTHER FEEL THAT SINCE THE RESPONSIBILITY OF DEVELOPING POLICIES RESTS SOLELY IN THE HANDS OF THE GOVERNOR, THIS LEAVES OPEN MANY VARIED INTERPRETATIONS OF THE LAW. THEREFORE, I FEEL A CLEARER AND MORE CONCISE SET OF GUIDELINES NEEDS TO BE IN PLACE WITHIN

THE GOVERNOR'S OFFICE AND MONITORED VERY CLOSELY BY THE DEPARTMENT OF LABOR. TWC AREAS OF CONCERN RELATIVE TO THE GUIDELINES SHOULD BE THE DEVELOPMENT OF POLICIES WHICH CLEARLY DEFINE THE STATES' ROLE IN AUDITING AND MONITORING PERFORMANCE BASED CONTRACTS.

THE HIGH PERCENTAGE OF YOUTHS TO BE SERVED AS REQUIRED BY LAW PRESENTS PROBLEMS FOR OUR AREA: 1) EMPLOYERS HAVE NOT BEEN VERY RECEPTIVE IN HIRING YOUTHS; AND 2) A LACK OF STIPENDS FOR PARTICIPANTS HAS GREATLY REDUCED THE NUMBER OF PARTICIPANTS IN CLASSROOM TRAINING PROGRAMS BEING OFFERED. HOWEVER, WITH THE YOUTH COMPETENCY PROGRAM BEING IMPLEMENTED AS OF JULY 1, 1984, I FEEL THE NUMBER OF YOUTHS TO BE CONSIDERED POSITIVE TERMINEES WILL INCREASE SOMEWHAT, THEREBY IMPROVING OVERALL PROGRAM PERFORMANCE.

OUR PRIVATE INDUSTRY COUNCIL PROGRAMS HAVE IMPROVED QUITE WELL DURING THE TRANSITION PERIOD. FOR THE PERIOD ENDING MAY 31, 1984, OVERALL PROGRAMS ACCOMPLISHED A 61% PLACEMENT RATE AT AN AVERAGE OF $4.22 AN HOUR FOR ADULTS. THE PLACEMENT RATE FOR YOUTHS WAS 58% (OR 14% LESS THAN THE 72% PLANNED). I FEEL THE YOUTH PLACEMENT AND POSITIVE TERMINATION RATE WILL INCREASE SUBSTANTIALLY

IN THE FUTURE AS A DIRECT RESULT OF THE YOUTH COMPETENCY PROGRAM. I FEEL THAT THE SYSTEM IS WORKING. HOWEVER, ITS IMPACT WOULD BE FELT BY MORE PEOPLE IF ADDITIONAL FUNDING WERE MADE AVAILABLE TO THE SERVICE DELIVERY AREA. THE JACKSON/CLINTON/RANKIN COUNTY SERVICE DELIVERY AREA HAS APPROXIMATELY 325,000 PERSONS, OF WHICH APPROXIMATELY 52,000 ARE DESIGNATED ECONOMICALLY DISADVANTAGED ACCORDING TO THE 1980 U.S. CENSUS. THE URBAN AREA IS GROWING RAPIDLY AND BOTH NUMBERS ARE CHANGING DAILY, WITH GROWTH OCCURRING IN AREAS OUTSIDE THE BOUNDARIES OF OUR SERVICE DELIVERY AREA.

THE NEW EMPLOYMENT AND TRAINING SYSTEM IS DEFINITELY WORKING, DUE IN PART TO A GOOD PRIVATE-PUBLIC PARTNERSHIP AND COMMITTED, CONCERNED PIC MEMBERS AND STAFF. FOR EXAMPLE, THE CITY OF JACKSON ENGAGED IN AN ECONOMIC DEVELOPMENT STUDY WITH THE FANTUS COMPANY OF CHICAGO, ILLINOIS, IN FEBRUARY, 1984. FROM THIS STUDY, A LUNCHEON WAS REALIZED AND ATTENDED BY SOME 375 BUSINESSMEN WHOSE RESPONSIBILITY WAS TO ANALYZE ITS FINDINGS. MR. DAVID KOLZOW, VICE PRESIDENT OF FANTUS, REVEALED SOME VERY ENCOURAGING STATISTICS. OUT OF THE SOME 45 FACTORS TO BE CONSIDERED IN THE STUDY, JACKSON

RECEIVED A FAVORABLE RATING WITH AN ABOVE AVERAGE RATING ON 23 CATEGORIES. THESE ARE SIGNIFICANT FINDINGS FOR IT CLEARLY INDICATES THAT THE JACKSON METROPOLITAN AREA IS CONDUCIVE TO ATTRACTING VIABLY SKILLED EMPLOYERS TO THE AREA. AS A RESULT, THE ECONOMY OF JACKSON'S METROPOLITAN AREA WILL BE STRENGTHENED, THEREBY ENHANCING AVERAGE WAGE CAPABILITIES WHILE LOWERING THE UNEMPLOYMENT RATE. I FEEL VERY GOOD ABOUT THE WAY THE PRIVATE BUSINESSES HAVE RECEIVED THE JOB TRAINING AND PARTNERSHIP ACT IN THE METROPOLITAN AREA. AT PRESENT WE HAVE 43 PRIVATE BUSINESSES ENGAGED IN ON THE JOB TRAINING CONTRACTS (OJT) AND THE LIST CONTINUES TO GROW. I AM CONVINCED THAT THE FLEXIBILITY OFFERED BY OJT TO EMPLOYEES IS THE BRIGHTEST SPOT OF THE JTPA PROGRAM.

I FEEL WE CAN CERTAINLY ACHIEVE THE GOALS OF THE ACT IF WE CONTINUE TO WORK IN A PARTNERSHIP AGREEMENT ADHERING TO CLEARLY DEFINED GUIDELINES DEVELOPED AT THE STATE LEVEL. AGAIN, BECAUSE OF THE TRUST, THE COOPERATION AND THE COMMITMENT, THE JOB TRAINING AND PARTNERSHIP ACT IS WORKING IN THE JACKSON METROPOLITAN AREA.

I WANT TO THANK SENATOR COCHRAN'S OFFICE FOR INVITING ME TO THIS HEARING AND COMMEND HIM FOR HIS CONTINUOUS SUPPORT OF THE JOB TRAINING AND PARTNERSHIP ACT THUS FAR. I ALSO APPRECIATE THE FACT THAT THE SENATOR HAS SUPPORTED THIS PROGRAM FROM ITS VERY INCEPTION. AS EXECUTIVE VICE PRESIDENT OF THE JACKSON CHAMBER OF COMMERCE, I SOLICIT THE SENATOR'S SUPPORT OF LEGISLATION WHICH WILL IMPACT UPON THE FUTURE OF THE JOB TRAINING AND PARTNERSHIP ACT IN A MOST POSITIVE WAY.

Senator COCHRAN. Mr. Cunningham, you may proceed.

Mr. CUNNINGHAM. Thank you, Senator Cochran.

I am honored to be here with you today and have the opportunity to testify with another industry perspective on JTPA.

First of all, my involvement with Government-subsidized training programs began in 1975 with CETA and since that time I have had occasion to consider the use of these programs in both the public and private sector.

My employer, Hughes Aircraft Mississippi, Inc., began to use JTPA the earlier part of this year when we came to Forest, MS, with our new plant and planned at this time to continue to utilize the program for the foreseeable future as part of our startup operations there. I would like to first summarize some of the benefits we gained from the program and talk about some of the areas that we see for areas of improvement.

First of all, we have used the program in our operations to subsidize salaries of employees that are engaged in teaching preemployment skills to people in the community working with the local junior colleges.

We have received partial reimbursement for training supplies and equipment that are used in that training program and we found on the whole the administrative load associated with JTPA to be minimal and not a burden.

The projected wage reimbursement that we expect to see from JTPA during the year 1984 exceeds $100,000. However, there are some aspects of JTPA that we find that limit the use of the act by high-tech employers such as ourself as well as other private industry firms

The eligibility requirements for JTPA are heavily weighted toward the economically disadvantaged or hard-core unemployed. Generally speaking, we find a dislocated worker represents a better source of labor for our company than a person coming from the economically disadvantaged category, and I will speak to the rationale of this shortly.

I find that this view is widely held among employers and managers and top management of companies with which I have had contact and their reason for this view I believe is easily understood. In particular, our company is involved in the assembly of military electronics. The assembly of these parts requires basic literacy skills in order to read and comprehend the complex assembly instructions and then exercise the technical skills required to do that job.

Working closely with our State employment service we engage in a screening process designed to give us the highest possible success rate for those individuals placed in preemployment training and later OJT through the JTPA program.

Based on the testing done to date by the employment service we find that the economically disadvantaged group among those eligible for JTPA generally does not represent as reasonable a risk for skill training because of a general deficiency in the area of basic education. My personal opinion is that industry cannot provide the resources, time, nor the money necessary to bring a large number of individuals eligible under JTPA up to a level where they can enter basic industrial training programs.

I understand through my affiliation with the State job training and coordinating council that there are a few programs, and we have had some of them described today, that provide remedial education to JTPA participants. Even though these agencies that administer job training programs realize that this remedial training is often necessary if participants are to enter quality jobs or job training programs, they cannot justify funding many of these programs to DOL when the success of their projects is measured on placements.

If JTPA programs could be utilized more fully to provide participants with improved reading or math skills or those employability skills that we have heard about this morning, I think the private industry would be more willing to consider the JTPA participants for on-the-job training programs.

JTPA was put into place in Mississippi during a time of high employment. In the case of Hughes Aircraft Mississippi, Inc., we located our new plant in a small rural community in Mississippi, with approximately 5,200 inhabitants where a medium-size manufacturing firm had recently closed. We found that there was a ready supply of displaced workers with excellent employment histories, high level basic employability skills, and good work values from which we could choose our work force. As a group they appear to meet the requirement of our jobs much better than individuals we have seen who are categorized as economically disadvantaged.

The dislocated workers are our workers of choice when considering JTPA eligibility for a job. However, because of many factors, dislocated workers do not stay on the unemployment roles very long. As a result of their finding employment of some type they are no longer eligible under JTPA, leaving the economically disadvantaged group for employers to consider.

I agree with others giving testimony this morning that you find a significant difference between the utilization of the JTPA in urban and rural areas. The sheer utilization of the pool of eligible JTPA workers will contribute to its utilization in an urban area. As displaced workers are absorbed back into the work force I would expect to see a dramatic decrease in the use of JTPA by industry in general unless remedial education can be provided to those eligible under JTPA who are deficient in their basic literacy skills as well as an appreciation of commonly accepted work values.

We found a significant difference between the literacy of the two groups. JTPA is a welcome tool for industry in general and for our firm in Mississippi. We would prefer to stay out of the field of basic education. The operation that we have here in Mississippi is one of several that Hughes Aircraft is creating throughout the Southeast. I believe it would be an incentive for the company to locate other plants to rural areas of Mississippi as well as other States if they could be assured that there was a work force available that had the prerequisite basic education to support skilled work training and that was also qualified under JTPA.

I appreciate the opportunity of testifying.

Senator COCHRAN. Thank you very much, Mr. Cunningham. I appreciate your contribution to the hearing.

[The prepared statement of Mr. Cunningham follows:]

TESTOMONY OF
WARREN T. CUNNINGHAM, ADMINISTRATIVE MANAGER
HUGHES AIRCRAFT MISSISSIPPI, INC.
AT SENATE COMMITTEE FOR LABOR AND HUMAN SERVICES,
SUB-COMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
JACKSON, MISSISSIPPI
JULY 12, 1984

Senator Quayle, Senator Cochran, I am Warren Cunningham, Administrative Manager of Hughes Aircraft in Mississippi. I am honored to address you today, and provide industry's perspective on the Job Training Partnership Act.

My involvement with government subsidized training programs began in 1975 with CETA. Since that time I have had occasion to consider the use of these programs in both public and private sectors. My employer, Hughes Aircraft Mississippi, Inc. began the use of JTPA in January, 1984, and plans at this time to continue to utilize the program for the foreseeable future as part of its start up in Mississippi.

Let me acknowledge the benefits which we anticipate in 1984 as a result of our participation in JTPA:

1. Subsidized salaries of employees engaged in pre-employment skills training.

2. Partial reimbursement for training supplies and equipment used to prepare JTPA qualified trainees.

3. Minimum administrative paper work associated with JTPA contracts and time keeping.

4. Projected reimbursement of $125,000 during calendar year 1984.

HOWEVER, THERE ARE ASPECTS OF JTPA WHICH LIMIT THE USE OF THE ACT BY HIGH-TECH EMPLOYERS SUCH AS HUGHES AIRCRAFT MISSISSIPPI, INC. AS WELL AS OTHER PRIVATE INDUSTRY FIRMS.

THE ELIGIBILITY REQUIREMENTS FOR JTPA ARE HEAVILY WEIGHED TO ECONOMICALLY DISADVANTAGED AND/OR HARD CORE UNEMPLOYED. GENERALLY SPEAKING THE DISLOCATED WORKER REPRESENTS A MUCH BETTER SOURCE OF LABOR FOR OUR COMPANY THAN THE PERSON COMING FROM THE ECONOMICALLY DISADVANTAGED CATEGORY. THIS VIEW IS WIDELY HELD AMONG EMPLOYMENT MANAGERS AND TOP MANAGEMENT OF COMPANIES WITH WHICH I HAVE HAD CONTACT. THEIR REASON FOR THIS VIEW IS EASILY UNDERSTOOD USING MY OWN FIRM AS AN EXAMPLE.

OUR COMPANY IS INVOLVED IN THE ASSEMBLY OF MILITARY ELECTRONIC DEVICES. THE ASSEMBLY OF THESE PRODUCTS REQUIRES BASIC LITERACY SKILLS IN ORDER TO READ AND COMPREHEND SOMEWHAT COMPLEX ASSEMBLY INSTRUCTIONS. WORKING CLOSELY WITH OUR STATE EMPLOYMENT SERVICE WE ENGAGE IN A SCREENING PROCESS DESIGNED TO GIVE US THE HIGHEST POSSIBLE SUCCESS RATE FOR THOSE INDIVIDUALS PLACED IN PRE-EMPLOYMENT TRAINING AND LATER OJT THROUGH JTPA. BASED ON THE TESTING DONE TO DATE BY THE EMPLOYMENT SERVICE, THE ECONOMICALLY DISADVANTAGED GROUP IN MISSISSIPPI GENERALLY DOES NOT REPRESENT A REASONABLE RISK FOR SKILLS TRAINING BECAUSE OF A GENERAL DEFICIENCY IN THE AREA OF BASIC EDUCATION. INDUSTRY CANNOT PROVIDE THE RESOURCES, TIME, NOR MONEY NECESSARY TO BRING THE ECONOMICALLY DISADVANTAGED UP TO A LEVEL WHERE THEY CAN ENTER BASIC INDUSTRIAL TRAINING PROGRAMS. I UNDERSTAND THROUGH MY AFFILIATION WITH THE STATE JOB TRAINING COORDINATING COUNCIL, THAT THERE ARE A FEW PROGRAMS IN THE STATE WHICH PROVIDE REMEDIAL EDUCATION TO JTPA PARTICIPANTS. HOWEVER, WHILE THESE AGENCIES THAT ADMINISTER JOB TRAINING PROGRAMS REALIZE THAT THIS TRAINING IS NECESSARY IF PARTICIPANTS ARE TO ENTER QUALITY JOBS OR JOB TRAINING PROGRAMS, THEY CANNOT JUSTIFY FUNDING MANY OF THESE PROGRAMS TO DOL WHEN THE SUCCESS OF THEIR PROJECTS IS MEASURED ON PLACEMENTS.

IF JTPA PROGRAMS COULD BE UTILIZED MORE FULLY TO PROVIDE PARTICIPANTS WITH IMPROVED READING AND MATH SKILLS, PRIVATE INDUSTRY WOULD BE MORE WILLING TO CONSIDER THE JTPA PARTICIPANT FOR ON-THE-JOB TRAINING PROGRAMS.

JTPA WAS PUT INTO PLACE IN MISSISSIPPI DURING A TIME OF HIGH UNEMPLOYMENT. IN THE CASE OF HUGHES AIRCRAFT MISSISSIPPI, INC. WE LOCATED OUR NEW PLANT IN A SMALL RURAL COMMUNITY OF APPROXIMATELY 5,200 PEOPLE WHERE A MEDIUM SIZED MECHANICAL MANUFACTURING FIRM HAD RECENTLY CLOSED. THERE HAS BEEN A READY SUPPLY OF DISPLACED WORKERS WITH EXCELLENT EMPLOYMENT HISTORIES AND GOOD WORK VALUES FROM WHICH TO CHOOSE OUR WORK FORCE. WE ARE ANXIOUS TO EMPLOY THESE PEOPLE BECAUSE OF THESE FACTORS. AS A GROUP THEY APPEAR TO MEET THE REQUIREMENTS OF OUR JOBS MUCH BETTER THAN THE INDIVIDUALS WE HAVE SEEN WHO ARE CATEGORIZED AS ECONOMICALLY DISADVANTAGED.

THE SITUATION WITH JTPA WHICH WE ARE ALREADY EXPERIENCING IS: DISLOCATED WORKERS ARE OUR WORKERS OF CHOICE WHEN CONSIDERING JTPA ELIGIBILITY; HOWEVER, BECAUSE OF MANY FACTORS THEY DO NOT STAY ON THE UNEMPLOYMENT ROLL VERY LONG. THEY ARE LIKELY TO FIND SOME TYPE OF WORK WHETHER IT IS WHAT THEY REALLY WANT TO DO OR NOT OR WHETHER IT PAYS THEM WHAT THEY HAVE BEEN ACCUSTOMED TO EARNING. AS A RESULT OF THEIR FINDING EMPLOYMENT OF SOME TYPE, THEY ARE NO LONGER ELIGIBLE UNDER JTPA LEAVING THE ECONOMICALLY DISADVANTAGED FOR EMPLOYERS TO CONSIDER. I BELIEVE YOU WILL FIND A SIGNIFICANT DIFFERENCE BETWEEN THE UTILIZATION OF JTPA IN URBAN AND RURAL AREAS. THE SHEER SIZE OF THE POOL OF ELIGIBLE JTPA WORKERS WILL CONTRIBUTE TO ITS USE IN URBAN AREAS. AS DISPLACED WORKERS ARE ABSORBED INTO THE WORK FORCE, I WOULD EXPECT TO SEE A DRAMATIC DECREASE IN THE USE OF JTPA BY INDUSTRY IN GENERAL, UNLESS REMEDIAL EDUCATION CAN BE PROVIDED TO THE ECONOMICALLY DISADVANTAGED.

MY OBSERVATIONS ARE THAT:

1. IN OUR PARTICULAR CASE WE HAVE FOUND A SIGNIFICANT DIFFERENCE IN THE LITERACY OF THE TWO GROUPS.

2. JTPA IS AN AVENUE TO TEACH JOB SKILLS WHICH REDUCE OPERATING COSTS. HOWEVER EMPLOYERS IN GENERAL WOULD PREFER NOT TO TEACH THOSE SKILLS MORE CLOSELY IDENTIFIED WITHIN THE SCOPE OF BASIC EDUCATION.

3. THERE IS A CLEARLY OBSERVABLE DIFFERENCE BETWEEN THE "TYPICAL" DISPLACED WORKER AND THE ECONOMICALLY DISADVANTAGED PERSON IN TERMS OF THEIR ATTITUDE TOWARD WORK.

MY FIRM'S PARENT COMPANY HAS BEGUN TO EXPAND ITS OPERATION WITH SEVERAL NEW PLANTS IN THE SOUTHEAST PRIMARILY IN SMALL COMMUNITIES. THERE IS MUCH INTEREST IN TRYING TO REDUCE THE COST AND INCREASE COMPETITIVE AREAS IN A HIGHLY TECHNICAL INDUSTRY. IT WOULD CERTAINLY BE AN INCENTIVE FOR COMPANIES TO RELOCATE IN RURAL AREAS OF THE STATE, IF THEY COULD BE ASSURED THAT THERE WAS A SUFFICIENT WORKFORCE AVAILABLE THAT HAD THE PREREQUISITE BASIC EDUCATION TO SUPPORT SKILLED WORK TRAINING AND WAS QUALIFIED FOR JTPA AS WELL.

Senator COCHRAN. We are fortunate to have Sam Pitchford with us to represent the employment service. He had interviewed and referred Martha Grace who was invited to testify, who actually prepared testimony for the record. We are going to ask Mr. Pitchford to present testimony from a different perspective, a person who had been unemployed, untrained and found work through on-the-job training.

Mr. Pitchford, we are glad you are here and we appreciate your participating in this panel.

STATEMENT OF SAM PITCHFORD, EMPLOYMENT SERVICE

Mr. PITCHFORD. Thank you, Senator Cochran.

I appreciate the opportunity of giving you an insight of one of the participants in the JTPA program because this person entered into JTPA and OJT, on the job training through an employer in Vicksburg, MS, successfully completed the program and is now employed by this employer. I would like to at this time read her testimony:

> Before my current job with the Simpson Dura-Vent Company, Inc., I worked at Kuhn Memorial Hospital as a nurse aide at approximately $480 per month net pay. I was laid off at the hospital and did not work for some time, 21 months before finding this job with Simpson Dura-Vent.
>
> I was receiving food stamps and AFDC payments for my two children, Fredrick who is 9 years old and Natasha who is 6 years old.
>
> When I first started to work, I had to ride to work with coworkers, but I now have my 1969 Pontiac repaired. I have missed some work because of minor breakdowns. I still live at 2514 Franklin Street along with my mother and my two children. My mother, Ms. Lee Bertha Ware, keeps my two children while I am working. I have worked on several different machines here at Simpson Dura-Vent. I have operated the seamer, the dinker, the swagger, the rivet machine, the notcher, and the lock former to make vent pipes and fittings into boxes to make up kits.
>
> You ask me if I thought the OJT program had benefited me. Well, I think it has. Because of my job, I feel better about myself. My attitude is more positive, and I have a little extra money to buy things with. I am not receiving welfare and I feel that I am more independent. I feel I am liberated and on my own. I also have made new friends and gained the respect of my neighbors. Here at Simpson Dura-Vent I get along good with my supervisors, and I have learned to accept responsibility.

That is the end of her testimony.

Senator COCHRAN. Thank you very much, Mr. Pitchford, for relating that success story to us this morning as a part of this panel.

We welcome Senator Quayle, chairman of the subcommittee. We are glad you are here. They turned you loose out of Atlanta.

Senator QUAYLE. Thank you very much, Thad.

I knew I was going to be happy when I got to Jackson. I never realized how happy I was going to be. I spent 3 delightful hours in the Atlanta airport after watching my plane being pushed way, compliments—I hope there are no Delta Airlines employees here—compliments of Delta Airlines.

I really am delighted to be here. I want to thank your great Senator, Thad Cochran, for the tremendous amount of assistance he gave us on this Job Training Partnership Act. I think just the brief testimony I have heard here and the success story. There are a lot of success stories out there where JTPA in fact has worked. I know Thad, being one of the original cosponsors, is intensely interested in trying to get a workable program down to the local level where you can have this kind of interaction and have a discussion and put forth a program that in fact is going to work. JTPA is going to have credibility that will offer opportunities to the economically disadvantaged, and primarily our young economically disadvantaged, in title II of JTPA. I for one certainly appreciate his leadership and I think that this is the first oversight field hearing. I am going to have some oversight hearings in my home State of Indiana later on. Reneé, of my staff will be traveling throughout the country participating in forms and doing site visits. All of your testimony will be very valuable in getting this program underway. I want to say that we appreciate your continued interest in JTPA.

There is only one thing I would like to ask about. One of the things that Thad and I talked a lot about when we wrote this legislation was the theory of partnership. If you are really going to have a program that is going to work you are going to have to get the private sector and public sector working together. I can tell you there were hours and hours of conflict and battle, not only on the Senate floor but in the conference committee as well, on who was really going to run the program. And what we tried to do was to craft a balance that really forced the public official and the private sector—I know you have both representatives here today—to sit down and have meetings like this and discuss it.

I just wonder, is that kind of theory and spirit being implemented here? I would just be curious and either Mr. Latture or Mr. Cunningham, either one of you or both of you might——

Mr. LATTURE. I will be happy to take it.

I am with the chamber of commerce here and we are very active in the private industry council. The previous panel, which you did not hear, probably epitomizes the situation when we talk about, let us say, we bring a new plant in or we have an expansion. One of the gentlemen mentioned the industrial startup training done by the State through the vo-tech center. OK, if the company comes in we use them first. Then when in Mr. Cunningham's situation, once they get up to a certain level they start on-the-job training that is through the private industry council, and our input has been and the thrust of my testimony was the on-the-job training factor is, for us, one of the best keys. They are brought up to a production skill level, they have done the basic education through the startup, brought up to a skill level through on-the-job training. Six months or a year down the road if they need advance training, that is where we came in again through the private industry council and some of the junior colleges in the area for upgrade-type training.

So our experience in Jackson has been that it has been a very close partnership through the industrial community, the business community, the private industry council which is JTPA, the vo-tech centers, the vo-tech schools, the State employment commission.

I think by forcing, if you will, but by getting all together with a common goal, I think you have accomplished that goal.

I think everything I have heard today just mentioned some rough spots on the road, but the road is an awful good one.

Mr. CUNNINGHAM. I would agree with Mr. Latture's statement that our relationship with the junior college and the employment service in terms of providing these programs to assist us could not have been any better if they were on our staff, frankly. They were cooperative to try to solve whatever problems we encountered. We could not ask for anything better.

Senator QUAYLE. Well, that was certainly our idea. I know when Thad and I were going over this legislation one of the first things that we really changed compared to CETA was that we were going to give that authority and that responsibility to the local level. And believe me, there are a lot of cynics out there that say this will not work because we would rather control the program out there from Washington and have some GS-15 in the Department of Labor determine how this is going to be done. And we were successful in getting that final legislation through that really gives that responsibility and the determination of ways to provide the services, et cetera to the local level, not only in Government but in the private sector, working with some of these other institutions, whether it be community colleges, vocational education or some of your general education organizations to provide basic educational requirements. It is certainly an idea that has never been tried before and surely there will be some rough spots. But it is something that is near and dear to our hearts.

I certainly thank you for your efforts and wish you good luck and let Thad know of any problems that you may have. But down the road I certainly will try to be very responsive.

Senator COCHRAN. We heard a few problems, Mr. Chairman, this morning. But nothing that would suggest that we ought to tear it up and try to start over again.

I think the consensus here was that there are improvements that can be made and I suppose that trying to get a flavor for the hearing, there was an indication of hope that there can be flexibility to grasp the needs of a rural State with a high rate of employment under the umbrella of this Job Training Partnership Act, and there is a suspicion that there is an urban bias throughout the law and the regulations that may need some modification to make it a better program in a State like Mississippi. There is a problem in defining those who are hard-to-serve, as well as with the expense attendant to serving those who are lacking in basic skills. These are problems that were discussed. And of course lack of funding. You know, the shortage of funds is a problem that CETA had and other programs had. All our programs that are popular need more money, and within the constraints of the budget and the limitation of resources, I think we probably do need to take a new look at where maybe some of the emphasis in funding can be shifted to benefit those areas that are least able to come up with local funding.

There was a discussion, too, that I was impressed with about matching requirements and attaching a value to contributions that are made by local agencies. This could be a problem. Differences of opinion about values and audits that are going to take up a lot of time, creating a whole layer of paperwork and bureaucratic redtape in order to meet matching requirements. That is something that impressed me and I am going to suggest that we take that up with the regulation writers in Washington and maybe take a new look at that. To impose a requirement that there is a responsibility at the local level to provide the building facilities, administration, personnel to administer the program at the local level may be enough rather than to attach a requirement that this must represent a certain value in order meet Federal Government requirements. That could end up presenting a lot of problems and just bog down the efforts.

Well, I probably did not summarize all of the suggestions that we heard this morning but I know you are going to read the record word for word. Renéc is going to read the record word for word at some point and get the meat out of the hearing that I think will be very important.

Senator QUAYLE. I think that what you said is very constructive and there are obviously problems with funding levels. The idea of matching funds, or in-kind matching, is one of the regulatory responsibilities.

What we really need—perhaps it was provided here at the hearing—are specific examples of where there are deterrents to having a fairly easy road of going forth with the program without having a bunch of roadblocks placed in the way, accounting procedures or whatever the case may be, so that would be helpful. That is one of the reasons that I am thankful you were willing to hold the hearing and allow us to come down here and get your firsthand experience.

One of the things we tried to do, is allow sufficient flexibility because what may necessarily be good in Indiana, how it may work there does not necessarily mean it is going to be the same in Mississippi or California. As you well know, we talked about wanting that flexibility. I think we will take back the specifics that have come up today and run the traps and see what we can do because I want to see the program work.

I think it is a good workable program, I think its principles and philosophies are certainly intact, and particularly of having the private sector involvement. I think that is really a revolutionary idea and an experiment that the Government on the Washington level has never tried before. But we are trying this time and we will see. I think it is going to work and this is why it is helpful to have this kind of input and to have this kind of discourse.

I certainly thank you for it.

Senator COCHRAN. Thank you, Mr. Chairman.

Before you arrived at the beginning of the hearing, I pointed out that you were the principal architect of this innovative and new approach to job training and you have been built up to a pretty high level already today.

I am glad you made it. Although you could not hear all the good things I said about you, I appreciate, again, your agreeing to bring this hearing to Mississippi and to start this series of nationwide reviews here in the State of Mississippi. I am flattered by that and I appreciate your willingness to do that.

Senator QUAYLE. I am here just because of your longtime effort involving this legislation, being as I said, one of the original cosponsors. And what we have gleaned here today I am sure will be very valuable as we go around the country. As I said, this is the first State that I have come into to have oversight hearings and it looks like you had a very good witness list and you were obviously very thorough, taking about 3 hours, so we look forward to going through this and will be in touch with you on any kind of corrections or remedies that we can take.

I am sure you will be in touch with the people here, you are the ones out there that make this thing go. Senator Cochran and I can, all we can do is listen to it and try to best within our political philosophies. And what we think may be best after your input, but the real future of the program is with you all and I certainly thank you.

From just looking around the room, I am sure you had some enthusiastic testimony here today. That is where the future rests.

Senator COCHRAN. Thank you, Mr. Chairman.

We had excellent testimony from a large number of witnesses, all of whom I want to thank personally for being here and for making such a fine contribution to the hearing.

I also appreciate Renéc Coe, a member of your subcommittee staff who helped in the arrangements and planning and Jackie Knox who is a member of my staff from Washington, my legislative staff, who assisted in preparing for the hearing and the conduct of the hearing and Carrie Laird who is my office manager of my Jackson office who also played an important role in the preparation for the hearing and the conduct of the hearing and arranging your transportation from the airport and all of those here at the Ramada Inn Coliseum who helped provide the facilities for the hearing. We really do appreciate all of that fine assistance.

It is all yours, Mr. Chairman, I think that is probably it.

Senator QUAYLE. I think that is it. We enjoyed working with you and I will turn it over——

Senator COCHRAN. There may be some other statements. Are there any other comments or statements that need to be made?

Mrs. RHODES. For the record, you have probably heard about all want to hear from me today but I just want to say, Senator Quayle, certainly we are glad that you did not get frustrated in Atlanta and turn around and go back to Washington. And I want to assure you that we are not going to get frustrated with JTPA of Mississippi and turn around and run.

We are taking our responsibility; we are taking it very seriously. We have had the private sector here today with local government, we have had the Governor's office, we have had program operators, we have had participants, and I think you will find as you read the testimony there is a real need for the Job Training Partnership Act in Mississippi, as there is in other States. And we see a lot of positive aspects of it.

We only ask that you do take a look at our comments in regard to some of the administrative limitations and so forth and give us a little relief there, but we in no way mean any of our comments to be negative toward the program. We welcome it, we look forward to it and we really do appreciate you all coming to Mississippi today.

Mrs. RHODES. Well, I think that it is the accounting, the accountability for different set-asides and so forth which could be accounted for much easier. I do not want to repeat my testimony——

Senator QUAYLE. More flexibility?

Mrs. RHODES. More of a block grant approach as opposed to different set-asides such as II-A, 8 percent, 3 percent. And as I said earlier, in these different funding categories 75 percent of 8 percent, 8 percent of II–A, you have to track all that.

You have to track the matching in addition to that, which is a burden not only on the State level but also on the SDA level, and and the program operator's level, such as Dr. Benjamin testified about the junior college position a few moments ago. He may have some five different contracts delivered, due to the small training programs. And that is where I need a lot of relief. I know you have heard that maybe the 15-percent limitation needs to be increased. I for one—and maybe some people in this room would disagree with me—would like to see us live within the 15-percent limitation, but reduce the paperwork requirement and, you know, I think we can live within that if we can get a block grant-type approach.

If you are interested in what target groups are being served, we can provide that; we can tell you how many participants, we can track the participants but when you start tracking dollars you get into more accountability, more contract separation, more paperwork for audits and so forth.

Senator QUAYLE. I would just say in response that that concept is one that I share also. My people in Indiana brought that to my attention. But I would like to point out to you that that is not a universal feeling. As a matter of fact, some on the other side think that it is not restrictive enough, that we ought to have more. They really do, they really want to target. You know, they want to play with us, they take the attitude that it is their money out there and they want to say: Well, since it is their money, they are actually talking, it is your money, therefore we are going to say exactly how it is going to be spent and that was one of the real philosophical debates that we had and we did move it from the old—go back to the old CETA program.

I share your concern and hope that—I know you will pick it up and I hope that, you know, maybe some of the other States that are getting into this will also voice that concern and we can get more unanimity on this kind of a concept because you are not going to have any trouble convincing me that that needs to be done. But I will be very honest with you, that that is not the majority feeling. We have had this whole big argument on block grants versus categorical programs and have made some movement in the direction away from categorical. It is not nearly as far as I would like to see it go, but it is some progress.

Mrs. RHODES. But even if you leave the discretion as it is in levels, you can track it in a different way as opposed to just dollars. There are other ways I think to address those concerns and what level or point is that you are serving.

Senator COCHRAN. Thank you very, very much, Judy, for coming up.

Are there any other comments or statements that anyone would like to make before the hearing is adjourned?

Thank you all very, very much for being here.

[Whereupon, at 1 p.m., the subcommittee recessed, to reconvene subject to the call of the Chair.]

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